

OM HOLDINGS LIMITED

(ARBN 081 028 337)



Date: 16 August 2012

Entitlement offer booklet

OM Holdings Limited ARBN 081 028 337 (**OMH** or **Company**)

Details of a 3 for 10 non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in the Company (**New Shares**) at a price of A\$0.40 per New Share (**Offer Price**).

The Entitlement Offer closes at 5.00pm (Perth and Singapore time) on Monday, 17 September 2012 (unless extended). Valid applications must be received before that date and time.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

THIS IS AN IMPORTANT DOCUMENT WHICH IS ACCOMPANIED BY A PERSONALISED ENTITLEMENT AND ACCEPTANCE FORM AND BOTH SHOULD BE READ IN THEIR ENTIRETY. PLEASE CALL YOUR STOCKBROKER, ACCOUNTANT, FINANCIAL ADVISER, TAXATION ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER OR THE OMH ENTITLEMENT OFFER INFORMATION LINE IF YOU HAVE ANY QUESTIONS.

Entitlement offer booklet

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Enquiries

Before making a decision about investing in the Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs. The New Shares offered are of a speculative nature.

If you have any questions on how to:

- (a) complete the personalised entitlement and acceptance form accompanying this booklet which Eligible Shareholders (as defined in section 1 of the 'Additional information' section of this booklet) may use to apply for New Shares (**Entitlement and Acceptance Form**); or
- (b) take up the New Shares offered to you under the Entitlement Offer (your **Entitlement**), either in full or in part,

please call the OMH Entitlement Offer Information Line between 9.00am and 5.00pm (Perth / Singapore time) Monday to Friday during the period from and including the date on which the Entitlement Offer opens until and including the date on which it closes (**Entitlement Offer Period**):

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 4000

If you have lost your personalised Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

Website

To view annual reports, shareholder and information about the Company and its subsidiaries (**OMH Group**), announcements, background information on the OMH Group's operations and historical information, visit the Company's website at www.omholdingsltd.com.

Important information

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

No cooling-off rights apply to the Entitlement Offer – you cannot withdraw your application once it has been accepted.

The 3 for 10 non-renounceable Entitlement Offer of New Shares is not being made under a prospectus or product disclosure statement prepared in compliance with the laws of your jurisdiction. Rather, the Entitlement Offer is being made to Eligible Shareholders in (i) Australia pursuant to provisions of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Class Order 08/35) (**Corporations Act**) which allow entitlement offers to be made by providing certain confirmations to the market; (ii) New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand) (**NZ Exemption Notice**); (iii) Singapore pursuant to provisions of the *Securities and Futures Act, Chapter 289* of Singapore (**Singapore SFA**) which exempt such offers from the prospectus registration requirements in the Singapore SFA; and (iv) the jurisdictions referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation (defined below) pursuant to certain exceptions which allow such offers to be made to certain Shareholders in those jurisdictions without the use of a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

As a result, it is important for Eligible Shareholders (as defined in the 'Additional information' section of this booklet) to read and understand the information on the OMH Group and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to the information in this booklet, the OMH Group's annual reports and other announcements made available at www.omholdingsltd.com or www.asx.com.au.

This booklet contains certain forward-looking statements. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward-looking statements, opinions and estimates provided in this booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the OMH Group, including the risks and uncertainties described in the 'Key Risks' section of the investor presentation relating to the Entitlement Offer, which was released to ASX by the Company on the date of this booklet and included herein (**Investor Presentation**). This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of the OMH Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the OMH Group's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, the Company assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, agents, associates and advisers disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking

statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

The information in this booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia, New Zealand and Singapore.

This booklet and any material accompanying it may not be released or distributed in the United States. This booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Shareholders will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

Executive Chairman's letter

16 August 2012

Dear Shareholder,

On behalf of the board of directors of OM Holdings Limited (**Board**), I am pleased to invite you to participate in a 3 for 10 non-renounceable pro-rata Entitlement Offer of New Shares in the Company at an Offer Price of A\$0.40 per New Share. The Offer Price represents:

- a discount of 9.1% to the closing price of ordinary shares in the Company (**Shares**) on the Australian Securities Exchange (**ASX**) on Wednesday, 15 August 2012; and
- a 7.8% discount to the volume weighted average price (**VWAP**) of Shares during the five trading days prior to the launch of the Entitlement Offer¹.

The gross proceeds of the Entitlement Offer, expected to be up to approximately A\$72.5 million, will be used to partly finance development and construction activities at the Company's Sarawak Project (in which the Company has an 80% interest), to assist in the timely financial close of that project (which is expected to occur in the second half of the 2012 calendar year) and to pay the costs of the Entitlement Offer.

New Shares issued under the Entitlement Offer will rank equally with existing Shares.

M. H. Carnegie & Co. Pty Limited (**Lead Manager**) is the Lead Manager of the Entitlement Offer and financial adviser to the Company.

Details of your Entitlement

As an Eligible Shareholder, you are entitled to subscribe for 3 New Shares for every 10 existing Shares held at 5.00pm (Perth / Singapore time) on Friday, 24 August 2012 (**Record Date**).

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

This booklet

In this booklet, you will find the following:

- key dates for the Entitlement Offer;
- instructions on "How to apply" setting out how to accept all or part of your Entitlement in the Entitlement Offer if you choose to do so;
- the Investor Presentation;
- an ASX announcement relating to the Entitlement Offer;
- additional information; and
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions on "How to apply".

¹ The VWAP is calculated as the average of the daily volume weighted average unadjusted sale price of Shares sold on ASX, excluding any transactions defined as 'special' crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises.

Taking up your Entitlement

All Shareholders¹ in Australia and those in New Zealand with an account with an Australian financial institution that supports BPAY transactions

If you are in Australia (or New Zealand and you have an account with an Australian financial institution that supports BPAY transactions) and decide to take up all or part of your Entitlement, there are two alternative ways you can pay your application monies (**Application Monies**):

- Post to Computershare Investor Services Pty Limited (**Registry**) your completed personalised Entitlement and Acceptance Form, along with your Application Monies by cheque, bank draft or money order. The Registry address is specified on the personalised Entitlement and Acceptance Form; or
- Pay your Application Monies via BPAY®². If you pay by BPAY you do not need to complete and post your personalised Entitlement and Acceptance Form to the Registry.

It is important to note that the Entitlement Offer closes at 5.00pm (Perth / Singapore time) on Monday, 17 September 2012. To participate, you need to ensure that your completed personalised Entitlement and Acceptance Form and your Application Money is received by the Registry before this time and date **OR** you have paid your application monies via BPAY pursuant to the instructions that are set out on the personalised Entitlement and Acceptance Form.

All Shareholders² in New Zealand

If you are in New Zealand and you do not have an account with an Australian financial institutional that supports BPAY transactions and decide to take up all or part of your Entitlement, you must post to the Registry your completed personalised Entitlement and Acceptance Form, along with your Application Monies by bank cheque, bank draft or money order (in each case, drawn in **Australian dollars**). The Registry address is specified on the personalised Entitlement and Acceptance Form.

It is important to note that the Entitlement Offer closes at 5.00pm (Perth / Singapore time) (which is 9.00pm New Zealand time) on Monday, 17 September 2012. To participate, you need to ensure that your completed personalised Entitlement and Acceptance Form and your Application Money are received by the Registry before this time.

All Shareholders² in Singapore and Shareholders² in the jurisdictions referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation who comply with those restrictions

If you are in Singapore (or in one of the other jurisdictions referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation and you comply with those restrictions) and decide to take up all or part of your Entitlement, you must post to the Registry your completed personalised Entitlement and Acceptance Form, along with your Application Monies by bank cheque, bank draft or money order (in each case drawn in **Australian dollars**). The Registry address is specified on the personalised Entitlement and Acceptance Form.

It is important to note that the Entitlement Offer closes at 5.00pm (Perth / Singapore time) on Monday, 17 September 2012. To participate, you need to ensure that your completed personalised Entitlement and Acceptance Form and your Application Money are received by the Registry before this time.

¹ Subject to the other eligibility criteria set out in the definition of Eligible Shareholder. See section 1 of the 'Additional information' section of this booklet.

² ® Registered to BPAY Pty Ltd ABN 69 079 137 518.

See section 6 of the "How to apply" section of this booklet for further information about payment methods.

Further information

Further information on the Entitlement Offer and OMH Group's business is detailed in this booklet. You should read the entirety of this booklet carefully, in particular the risks and uncertainties described in the "Key Risks" section of the Investor Presentation, before deciding whether to participate in the Entitlement Offer.

If you would like further information regarding the Entitlement Offer please call the OMH Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 8 3 9415 4000 (from outside Australia) or visit our website at www.omholdingsltd.com. For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser. You should be aware that the Company has not had regard to your individual circumstances or needs, including your personal taxation or financial position, in sending this booklet and accompanying information to you and the Company is not licensed to provide financial product advice to you in relation to your Shares, the New Shares or the Entitlements. If you have any doubt about whether you should invest in the Entitlement Offer, you should seek professional advice before making any investment decision. Please note that no cooling-off period applies in relation to the Entitlement Offer – you cannot withdraw your application once it has been accepted.

On behalf of the Board and management team of the Company, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Low Ngee Tong
Executive Chairman

Key dates

Event	Date
Entitlement Offer announced to ASX	Thursday, 16 August 2012
Record Date for the Entitlement Offer	5.00pm (Perth / Singapore time) on Friday, 24 August 2012
Mailing of this booklet and personalised Entitlement and Acceptance Forms to Eligible Shareholders completed	Monday, 27 August 2012
Entitlement Offer commences	Tuesday, 28 August 2012
Entitlement Offer closes	5.00pm (Perth / Singapore time) on Monday, 17 September 2012
Announcement of shortfall (if any) under the Entitlement Offer	Thursday, 20 September 2012
Entitlement Offer settlement date	Monday, 24 September 2012
Issue of New Shares under the Entitlement Offer	Tuesday, 25 September 2012
Mailing of updated CHESS notices and issuer sponsored holding statements for New Shares issued under the Entitlement Offer completed	Wednesday, 26 September 2012
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	Wednesday, 26 September 2012

Dates and times in this booklet are indicative only and subject to change. All times and dates refer to Perth / Singapore time.

The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the above dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

How to apply

1. The Entitlement Offer

Eligible Shareholders (as defined in the 'Additional information' section starting on page 41 of this booklet) are being offered the opportunity to apply for 3 New Shares for every 10 existing Shares held at 5.00pm (Perth / Singapore time) on the Record Date of 24 August 2012, at the Offer Price of A\$0.40 per New Share.

You should note that not all of the Company's Shareholders will be eligible to participate in the offer of New Shares. Please read the 'Additional information' section starting on page 41 of this booklet for further details.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

2. Please carefully read the information in this booklet and the personalised Entitlement and Acceptance Form

The Entitlement Offer is not being made under a prospectus or product disclosure statement prepared in accordance with the laws of your jurisdiction. Rather, the Entitlement Offer is being made to Eligible Shareholders in:

- Australia pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Entitlement Offer, when read with this booklet and the accompanying information, is publicly available;
- New Zealand in reliance on the NZ Exemption Notice;
- Singapore pursuant to provisions of the Singapore SFA which exempt such offers from the prospectus registration requirements in the Singapore SFA; and
- the jurisdictions referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation pursuant to certain exceptions which allow such offers to be made to certain Shareholders in those jurisdictions without the use of a prospectus, disclosure document, product disclosure statement or any lodgement, filing registration or qualification.

This booklet does not contain all of the information which may be required in a prospectus or product disclosure statement prepared in accordance with the laws of your jurisdiction. As a result, it is important for Eligible Shareholders to carefully read and understand the information on the Company and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement, or do nothing in respect of their Entitlement. In particular, please read this booklet in its entirety, the Company's interim financial reports, annual reports and other announcements which are made available at www.asx.com.au or www.omholdingsltd.com.

3. Please consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

You should also refer to the 'Key Risks' section in the Investor Presentation released to ASX on 16 August 2012 which is included in this booklet on pages 22 to 40.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including the possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the 'Key Risks' section in the Investor Presentation and the disclaimers outlined in this booklet.

4. Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 3 New Shares for every 10 Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares, including in respect of entitlement to dividends.

If you decide to take up all or part of your Entitlement, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by any cleared funds (in **Australian dollars**), your Entitlement will lapse and you will not be issued New Shares. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in the Company will be diluted by your non-participation in the Entitlement Offer. Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for that part of their Entitlement they do not take up.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (for further information in this regard, see the definition of Eligible Shareholder in the 'Additional information' section).

Nominees

The Entitlement Offer is only being made to Eligible Shareholders (see definition of Eligible Shareholder in the 'Additional information' section). The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Entitlement Offer). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States. The Company assumes no obligation to advise you on any foreign laws.

5. Options available to you

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (see section 5.1 below); or

- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see section 5.2 below).

5.1 If you decide to take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, please:

- if you are within (i) Australia or (ii) New Zealand and you have an account with an Australian financial institution that supports BPAY payments, pay your Application Monies via BPAY; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement.

If you take up and pay for all or part of your Entitlement, before the close of the Entitlement Offer, you will be issued your New Shares on 25 September 2012.

Any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Entitlement Offer on or around 26 September 2012 (except for where the amount is less than A\$2.00, in which case it will be donated to a charity chosen by the Company. No interest will be paid to Eligible Shareholders on any Application Monies received or returned (wholly or partially).

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (Perth / Singapore time) on 17 September 2012. Eligible Shareholders who wish to pay via cheque, bank draft or money order will also need to ensure that their completed personalised Entitlement and Acceptance Form is also received by that date and time using the reply paid envelope provided with this booklet or otherwise.

5.2 If you do nothing

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

6. Payment methods

6.1 Payment by BPAY

If you are within (i) Australia or (ii) New Zealand and you have an account with an Australian financial institution that supports BPAY transactions, and you wish to make payment via BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (CRN)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY, you will be deemed to have applied only for New Shares on the Entitlement to which that CRN applies and your applications in respect of your other CRNs will be deemed to have not been supported by cleared funds.

Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00pm (Perth / Singapore time) on 17 September 2012. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The Company takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

6.2 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in **Australian dollars** for the amount of the Application Monies, payable to 'OMH Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank cheque, bank draft or money order must be:

- for an amount equal to A\$0.40 multiplied by the number of New Shares that you are applying for; and
- in Australian dollars drawn on an Australian financial institution or an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (Perth / Singapore time) on 17 September 2012. Cash payments will not be accepted. Receipts for payment will not be issued.

7. Warranties made on acceptance of the Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this booklet and your personalised Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this booklet and the personalised Entitlement and Acceptance Form;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this booklet and the Company's Bye-laws and other constituent documents;
- authorise the Company to register you as the holder(s) of the New Shares issued to you;

- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Share;
- authorise the Company, the Lead Manager, the Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this booklet and your personalised Entitlement and Acceptance Form is not investment advice or financial product advice and they have been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this booklet and your personalised Entitlement and Acceptance Form is not a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this booklet is not a prospectus, product disclosure statement or disclosure document prepared in accordance with the laws of your jurisdiction and does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key Risks' section of the Investor Presentation and that investments in the Company are subject to risk;
- acknowledge that none of the Company, the Lead Manager, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Company, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares; and
- represent and warrant that your acceptance of the Entitlement Offer does not breach any laws in a jurisdiction outside Australia, New Zealand or Singapore.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Shareholder (as

defined in the 'Additional information' section) or otherwise eligible to participate in the Entitlement Offer and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Shares under the Entitlement Offer and under any applicable laws and regulations;
- the Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand or Singapore and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States, and you have not sent this booklet, the personalised Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

8. No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

The Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares to Eligible Shareholders, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

9. Confirmation of your application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares from this Entitlement Offer, and manage the standing instructions the Registry records on your holding on the Investor Centre website, www.investorcentre.com. To access the Investor Centre you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

10. Mail or hand delivery

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (Perth / Singapore time) on 17 September 2012. If you make payment via cheque, bank cheque, bank draft or money order, you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address	Hand Delivery Address
OM Holdings Limited C/- Computershare Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001 Australia	OM Holdings Limited C/- Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St George's Terrace Perth WA 6000

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered or corporate offices, or other offices of the Registry.

ASX announcements

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 5

16 August 2012

ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

OM Holdings to raise up to approximately A\$72.5¹ million for the Sarawak Project

OM Holdings Limited (**OMH**) is pleased to announce an equity capital raising to raise gross proceeds of up to approximately A\$72.5 million. The raising consists of a 3 for 10 non-renounceable pro-rata entitlement offer of new ordinary shares in OMH (**New Shares**) to eligible shareholders in OMH (**Entitlement Offer**) at A\$0.40 per New Share (**Offer Price**).

The Entitlement Offer Price of A\$0.40 per New Share represents:

- 9.1% discount to the last closing price of OMH shares on ASX of A\$0.44 on 15 August 2012, and
- 7.8% discount to the five day volume weighted average price of OMH shares traded on ASX up to and including 15 August 2012

The Entitlement Offer is positively supported by a number of OMH's major shareholders, with existing major shareholders accounting for approximately 40% of OMH shares entitled to be accepted under the Entitlement Offer (**Committed Major Shareholders**) committing to take up all of their entitlements under the Entitlement Offer.

Once the Entitlement Offer is complete, OMH's pro forma cash on hand balance as at 30 June 2012 will be between ~A\$84 million and ~A\$127 million², depending on the level of subscription for New Shares by eligible shareholders in addition to the Committed Major Shareholders.

The proceeds of the Entitlement Offer will be used to finance development activities at the Company's Sarawak Project and to pay the costs of the Entitlement Offer.

The Sarawak Project is expected to:

- produce ~575,000 tonnes per annum of ferroalloys for the Asian and global steel markets from the first half of 2014, reaching full capacity by the first half of 2015;
- operate in the lowest cost quartile of ferrosilicon alloy producers; and
- generate average annual cash flows of ~US\$286 million and have a net present value of US\$1.3 billion.

The Sarawak Project is owned and is being developed by OM Materials (Sarawak) Sdn Bdn, a joint venture company owned by OMH (80%) and Cahya Mata Sarawak Bhd (20%). A ~US\$428 million (~A\$408 million) debt syndication process has commenced and is expected to be completed in the second half of the 2012 calendar year.

¹ Assuming all shareholders take up their full entitlement under the Entitlement Offer, the gross amount raised is expected to be ~A\$72.5 million (with issue costs of ~A\$2m). If only the Committed Major Shareholders subscribe for New Shares, the Entitlement Offer is expected to raise ~A\$29 million (before issue costs)

² The cash position of OMH as at 30 June 2012 was A\$67.7 million, excluding a debt repayment of ~A\$10.9 million made in July 2012, which for the purpose of preparing the pro forma statement of financial position was assumed to have occurred as at 30 June 2012



The Sarawak Project is expected to be 70% debt financed by a consortium of international and regional banks, with initial indicative funding participation amounts received from 6 major banks to date. These participation amounts collectively well exceeded the project's debt funding requirements. However, the Entitlement Offer is not conditional on OM Sarawak successfully obtaining project debt financing.

Eligible shareholders who hold existing OMH shares at the record date of 5:00pm (Perth / Singapore time) Friday, 24 August 2012 (**Record Date**) will be entitled to participate in the Entitlement Offer.³ They will be entitled to apply for 3 New Shares for every 10 existing OMH shares at the Record Date.

The Entitlement Offer is non-renounceable and rights will not be tradeable on ASX or otherwise transferable. Eligible shareholders who do not take up their entitlements under the Entitlement Offer, in full or in part, will not receive any value in respect of those entitlements that they do not take up.

New Shares issued under the Entitlement Offer will rank equally with existing OMH shares on issue.

Shareholders eligible to participate in the Entitlement Offer will receive further information shortly.

M. H. Carnegie & Co. Pty Limited is the lead manager of the Entitlement Offer and financial adviser to OMH (**Lead Manager**). The Entitlement Offer is not underwritten.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

³ See the entitlement offer booklet to be distributed to eligible shareholders, dated on or about the date of this announcement, for eligibility criteria for participation in the Entitlement Offer. Generally, the Entitlement Offer is open to all OMH shareholders on the Record Date other than those with a registered address outside Australia, New Zealand or Singapore in respect of whom OMH determines that it is unreasonable for it to extend the Entitlement Offer to such shareholders.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

This announcement contains certain forward-looking statements. The words “anticipated”, “expected”, “projections”, “forecast”, “estimates”, “could”, “may”, “target”, “consider” and “will” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, OMH and the Lead Manager and their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in OMH Shares is subject to investment and other known and unknown risks, some of which are beyond the control of OMH, including possible delays in repayment and loss of income and principal invested. OMH does not guarantee any particular rate of return or the performance of OMH nor does it guarantee the repayment of capital from OMH or any particular tax treatment. Persons should have regard to the risks outlined in the equity raising presentation accompanying this announcement and released to ASX on Thursday, 16 August 2012.

Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

*This announcement is not an offer or an invitation to acquire OMH shares or any other financial products in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This announcement is not a prospectus, product disclosure statement or other disclosure document under Australian law. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account of benefit of, any ‘U.S. person’ (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**)) (**U.S. Person**). OMH shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person without being so registered or pursuant to an exemption from registration.*

This announcement is not financial advice or a recommendation to acquire OMH shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. OMH is not licensed to provide financial product advice in respect of OMH shares. Cooling off rights do not apply to the acquisition of OMH shares.



Entitlement Offer Indicative Timetable

Event	Date
Announcement of Entitlement Offer	Thursday, 16 August 2012
Ex-date: existing shares quoted on an 'ex-entitlement' basis	Monday, 20 August 2012
Record date: identify eligible shareholders and their entitlements (5:00pm Perth / Singapore time)	Friday, 24 August 2012
Dispatch of Entitlement Offer booklet and personalised entitlement and acceptance forms to eligible shareholders	Monday, 27 August 2012
Entitlement Offer opens	Tuesday, 28 August 2012
Applications closing date: the last day for receipt of applications (5:00pm Perth / Singapore time)	Monday, 17 September 2012
Announcement of shortfall (if any) under the Entitlement Offer	Thursday, 20 September 2012
Settlement of Entitlement Offer	Monday, 24 September 2012
Issue of New Shares under the Entitlement Offer	Tuesday, 25 September 2012
Dispatch of holding statements for New Shares issued under the Entitlement Offer completed	Wednesday, 26 September 2012
Normal trading of New Shares issued under the Entitlement Offer	Wednesday, 26 September 2012

IMPORTANT NOTE: The Company reserves the right, subject to the *Corporations Act* 2001 (Cth), ASX Listing Rules and other applicable laws, to vary the above dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

Further information

Further details of the Entitlement Offer, including details of the use of proceeds, the timetable and the key risks associated with the Entitlement Offer, OMH and the Sarawak Project, are included in the equity raising presentation and offer booklet released to ASX and available on OMH's website. The information in the 'Disclaimer and Important Information' and 'Key Risks sections' of the equity raising presentation applies to this announcement as if set out in full in this announcement. The offer booklet is expected to be dispatched to eligible shareholders by Monday, 27 August 2012.

Shareholder enquiries

If you would like further information regarding the Entitlement Offer please call the OMH Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) which is open 9.00am to 5.00pm (Perth / Singapore time) Monday to Friday during the Entitlement Offer period or visit our website at www.omholdingsltd.com.

For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser without delay.



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd, OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110km north of Tennant Creek in the Northern Territory.

Bootu Creek has the capacity to produce 1,000,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 2,400km².

Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH Group’s wholly-owned Qinzhou smelter located in south west China.

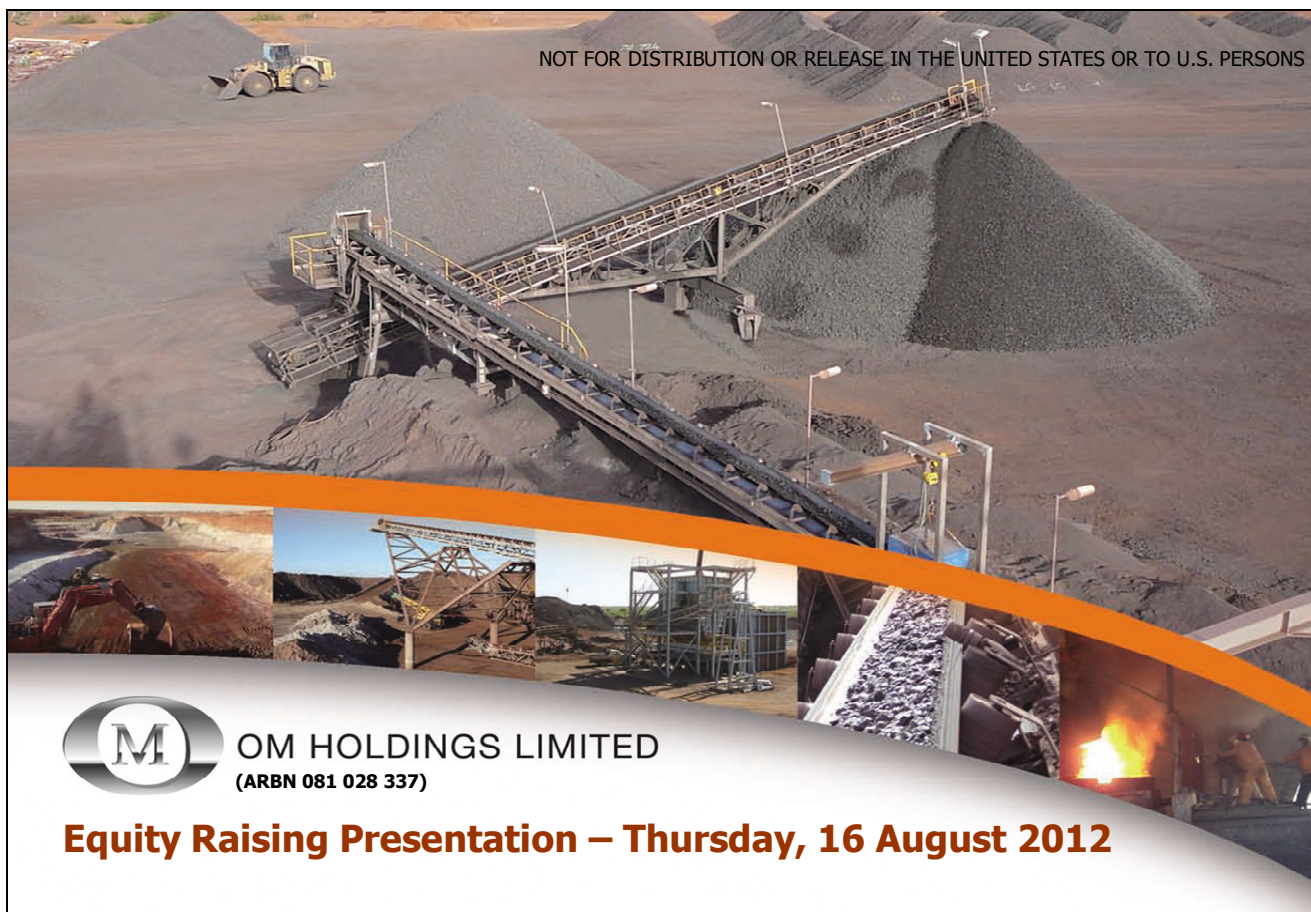
Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market. Product from Bootu Creek has strengthened OMH’s position in this market.

OMH is a constituent of the S&P/ASX 300 a leading securities index.

OMH holds a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which holds a 50.1% interest in the world class Tshipi Borwa manganese project in South Africa.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- 14% shareholding in Northern Iron Limited (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway; and
 - 8% shareholding in Shaw River Manganese Limited (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.
-



OM HOLDINGS LIMITED
(ARBN 081 028 337)

Equity Raising Presentation – Thursday, 16 August 2012



DISCLAIMER AND IMPORTANT INFORMATION

This presentation has been prepared by OM Holdings Limited (ARBN 081 028 337) (**OMH** or the **Company**).

Summary information

This presentation contains summary information about OMH and its subsidiaries (**OMH Group**) and their activities current as at Thursday, 16 August 2012. The information in this presentation is a general background and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with OMH Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.

Not financial product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation is not financial product or investment advice, a recommendation to acquire OMH shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. OMH is not licensed to provide financial product advice in respect of OMH shares. Cooling off rights do not apply to the acquisition of OMH shares.

Financial data

All dollar values are in Australian dollars (\$) or A\$ unless stated otherwise and financial data is presented as at or for the half year ended 30 June 2012 unless stated otherwise.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Past performance

Past performance and pro forma financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of OMH's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of the OMH Group cannot be relied upon as an indicator of (and provides no guidance as to) future OMH Group performance including future share price performance. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

Investors should also be aware that certain financial data included in this presentation may be "non-IFRS financial information" under Regulatory Guide 230 *Disclosing non-IFRS financial information* published by the Australian Securities and Investments Commission (**ASIC**). OMH believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the OMH Group. The non-IFRS financial information measures do not have standardised meanings prescribed by International Financial Reporting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be considered as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information.

Future performance

This presentation contains certain forward-looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position and performance and capital expenditure are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.



Future performance (cont.)

Forward-looking statements, which may also include projections, guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains such statements that are subject to risk factors associated with mineral exploration and production, ferroalloy smelting and marketing and metal trading industries. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, external and internal funding (including for the Sarawak Project) and indebtedness, development project and capital expenditure estimates risks, construction and other operational risks, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this presentation will under any circumstances create an implication that there has been no change in the affairs of the OMH Group since the date of this presentation.

Investment risk

An investment in OMH shares is subject to investment and other known and unknown risks, some of which are beyond the control of the OMH Group. OMH does not guarantee any particular rate of return or the performance of the OMH Group, nor does it guarantee the repayment of capital from OMH or any particular tax treatment. Persons should have regard to the risks outlined in this presentation.

Not an offer

This presentation is not and should not be considered as an offer or an invitation to acquire OMH shares or any other financial product and does not and will not form any part of any contract for the acquisition of OMH shares. Eligible shareholders will be entitled to participate in the Entitlement Offer referred to herein under the Entitlement Offer booklet expected to be lodged with ASX on Thursday, 16 August 2012, and despatched on or about Monday, 27 August 2012. Eligible shareholders who wish to acquire shares the subject of the Entitlement Offer should consider the Entitlement Offer booklet in deciding whether to apply under the Entitlement Offer and complete the personalised Entitlement and Acceptance Form which will be in, or will accompany, the Entitlement Offer booklet.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'U.S. person' (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) (**U.S. Persons**)). OMH securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person without being so registered or pursuant to an exemption from registration. This presentation may not be distributed or released in the United States.

The distribution of this presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Those restrictions are set out in slides 36 to 38.

By accepting this presentation you represent and warrant that you are entitled to receive such a presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

Advisers

OMH's advisers (including the lead manager of the Entitlement Offer) have not authorised, permitted or caused the issue, lodgement, submission, despatch or provision of this presentation and do not make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by the advisers. The advisers and their respective affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this document and make no representation or warranty as to the currency, accuracy, reliability or completeness of information.



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4	Sarawak Project Funding	18
5	Key Risks	21
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Summary

Sarawak Project Funding

- Equity financing of OMH's 80% share of the 30% equity project funding
 - 3 for 10 non-renounceable entitlement offer of new shares in OMH at A\$0.40 per share to raise ~A\$72.5m (**Entitlement Offer**)
 - Positively supported by a number of OMH's major shareholders, who have committed to take up their full entitlements¹
- Project debt financing – 100% of the 70% debt project funding
 - ~US\$428m (~A\$408m)² facility syndication process commenced and expected to complete in H2, CY2012

Sarawak Project

- Smelter expected to produce ~575,000 tonnes per annum (**tpa**) of ferroalloys
- Development capex expected to be ~US\$592m (OMH share ~US\$474m)³
- Competitive advantages include long term, low cost power and strategic location
- First production expected H1, CY2014, with full capacity production by H1, CY2015
- Power Purchase Agreement signed in Feb 2012 and Detailed Environmental Impact Assessment approved in late May 2012

Mn Market Update

- Manganese ore spot prices have increased from US\$4.75 per dry metric tonne unit (dmtu) CIF China in April 2012 to US\$5.35 per dmtu CIF China in July 2012⁴
- Manganese ore spot price for September 2012 delivery currently US\$5.35 per dmtu CIF China⁵
- Chinese crude steel production continues to drive high grade manganese demand⁶

Note 1: Shareholders holding an aggregate of ~40% of the OMH shares currently on issue have given irrevocable commitments to take up their full entitlements under the Entitlement Offer, representing approximately A\$29m (**Major Shareholder Pre-Committed Amount**) of the gross amount of ~A\$72.5m sought (prior to issue costs, in each case, of ~A\$2m) under the Entitlement Offer. Refer to Appendix slide 35 for the impact if the Entitlement Offer raises only the Major Shareholder Pre-Committed Amount

Note 2: Assumes exchange rate of A\$1/US\$1.05

Note 3: Total estimated capex number of ~US\$592m includes a US\$25m cost contingency component. OMH's 80% share expected to be funded with a combination of project finance debt, at the project level, and equity, at the corporate level (including the net proceeds of the Entitlement Offer). Refer to slide 18 for further details

Note 4: The Tex Report: Friday, 13 April 2012 Vol. 44, No. 10431, The Tex Report: Tuesday, 8 May 2012 Vol. 44 No. 10445, The Tex Report: Wednesday, 6 June 2012 Vol.44 No. 10466

Note 5: The Tex Report: Monday, 30 July 2012 Vol. 44, No. 10503

Note 6: OMH Management

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Equity Offer Details

Equity Offer Structure

- 3 for 10 Entitlement Offer at A\$0.40 per share to raise ~A\$72.5m¹
- Up to ~181m new ordinary shares in OMH to be issued (**New Shares**) to rank equally with existing shares in OMH
- Positive significant shareholder support with shareholders holding ~40% of OMH's issued capital committing to take up their full entitlements under the Entitlement Offer
- The Entitlement Offer is **not** conditional on OM Sarawak successfully obtaining project debt financing for the Sarawak Project
- M. H. Carnegie & Co. Pty Limited is the lead manager of the Entitlement Offer and financial adviser to OMH (**Lead Manager**). The Entitlement Offer is not underwritten

Offer Price

- The Entitlement Offer price of A\$0.40 per New Share represents:
 - 9.1% discount to the last closing price of OMH shares on ASX of A\$0.44 on Wednesday, 15 August 2012
 - 7.8% discount to the five day VWAP² ended Wednesday, 15 August 2012

Timetable

- Ex-entitlement date Monday, 20 August 2012
- The Entitlement Offer to eligible shareholders³ open from Tuesday, 28 August 2012 to Monday, 17 September 2012

Record Date

- Friday, 24 August 2012

Use of Funds

- Net proceeds to be applied to the development of the Sarawak Project

Note 1: Shareholders holding an aggregate of ~40% of the OMH shares currently on issue have given irrevocable commitments to take up their full entitlements under the Entitlement Offer, representing approximately A\$29m (**Major Shareholder Pre-Committed Amount**) of the gross amount of ~A\$72.5m sought (prior to issue costs, in each case, of ~A\$2m) under the Entitlement Offer. Refer to Appendix slide 35 for the impact if the Entitlement Offer raises only the Major Shareholder Pre-Committed Amount

Note 2: Volume weighted average prices in this presentation were calculated as the total 5 day volume divided by the 5 day total value of OMH shares sold on ASX up to and including Wednesday, 15 August 2012, excluding any transactions defined as 'special' crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises

Note 3: See the Entitlement Offer booklet to be distributed to eligible shareholders, dated on or about the date of this announcement, for eligibility criteria for participation in the Entitlement Offer. Generally, the Entitlement Offer is open to all OMH shareholders on the Record Date other than those with a registered address outside Australia, New Zealand or Singapore in respect of whom OMH determines that it is unreasonable for it to extend the Entitlement Offer to (i.e. those who do not comply with the requirements in Appendix - refer to slides 36 to 38)

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Pro Forma Statement of Financial Position¹

Consolidated statement of financial position (all figures A\$ '000)	As at 30 June 2012 ²	Pro Forma adjustments	Full Offer Pro Forma as at 30 June 2012
Current assets			
• Cash	67,705	70,516 ³ (10,868) ⁴	127,353
• Other current assets	269,756		269,756
Total current assets	337,461	59,648	397,109
Non-current assets	251,820		251,820
Total assets	589,281	59,648	648,929
Current liabilities			
• Interest-bearing liabilities	104,373	(10,868) ⁴	93,505
• Other current liabilities	84,011		84,011
Total current liabilities	188,384	(10,868)	177,516
Non-current liabilities			
• Interest-bearing liabilities	81,018		81,018
• Other non-current liabilities	4,974		4,974
Total non-current liabilities	85,992		85,992
Total liabilities	274,376	(10,868)	263,508
Net assets	314,905	70,516	385,421
Equity			
• Capital / contributed equity	30,205	9,062 ³	39,267
• Treasury shares	(2,330)		(2,330)
• Reserves	147,624	61,454 ⁴	209,078
• Retained profits	128,475		128,475
• Outside equity interests in controlled entities	10,931		10,931
Total equity	314,905	70,516	385,421

Note 1: Above and on slide 34 are the Company's consolidated historical and pro forma statements of financial position as at 30 June 2012 (**Financial Information**). The above pro forma statement of financial position (**Full Offer Pro Forma**) gives effect to the Entitlement Offer as though it had occurred as at 30 June 2012 and raised gross proceeds of A\$72.5m (i.e. full take-up of entitlements), prior to issue costs of A\$2m. OMH repaid A\$10,868,000 of debt in July 2012 and the pro forma statement of financial position assumes that this had occurred as at 30 June 2012. Refer to Appendix slide 34 for a pro forma statement of financial position giving effect to such debt repayment and to the Entitlement Offer as though it raised only the Major Shareholder Pre-Committed Amount (**Pre-Committed Pro Forma**) and, together with the Full Offer Pro Forma, the **Pro Formas**. The Pro Formas are not intended to be statements of the Company's current financial position. The Financial Information has been prepared in accordance with the accounting policies set out in OMH's 2011 Annual Report (**Annual Report**), unless otherwise disclosed due to a change to accounting policies since that date. The Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an Annual Report prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in an Annual Report.

Note 2: As per OMH's Interim Financial Report which was subject to audit review and lodged with ASX on Wednesday, 15 August 2012.

Note 3: Impact arising from the Entitlement Offer net of costs ~A\$2m assuming all shareholders take up their full entitlements. Refer to Appendix slide 34 to view corresponding figures assuming only the Major Shareholders Pre-Committed Amount is raised.

Note 4: Impact arising from actual debt repayment which occurred in July 2012.

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Indicative Entitlement Offer Timetable

Event	Date
Announcement of Entitlement Offer	Thursday, 16 August 2012
Ex-date: existing shares quoted on an 'ex-entitlement' basis	Monday, 20 August 2012
Record date: identify eligible shareholders and their entitlements (5pm Perth/Singapore Time)	Friday, 24 August 2012
Dispatch of Entitlement Offer booklet and Entitlement and Acceptance Forms to eligible shareholders	Monday, 27 August 2012
Entitlement Offer opens	Tuesday, 28 August 2012
Applications closing date: the last day for receipt of applications (5pm Perth/Singapore Time)	Monday, 17 September 2012
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Dispatch of holding statements for New Shares issued under the Entitlement Offer completed	Wednesday, 26 September 2012
Normal trading of New Shares issued under the Entitlement Offer	Wednesday, 26 September 2012

IMPORTANT NOTE: The Company reserves the right, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws, to vary the above dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

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OMH – Corporate Overview

Market and Financial Data¹

Metric		Pre-Entitlement Offer ²	Impact of Entitlement Offer ³	Post-Entitlement Offer
Last price	A\$	0.44	-	-
Ordinary shares on issue	m	604.1	181.2 ³	785.3
Unlisted options	m	19.0	-	19.0
Convertible notes	m	25.0 ⁴	-	25.0
Market capitalisation (undiluted)	A\$m	265.8	70.5 ⁵	336.3

Board of Directors

Name	Position
Low Ngee Tong	Executive Chairman
Peter Toth	CEO, Executive Director
Zainul Abidin Rasheed	Independent Deputy Chairman, NED
Julie Wolseley	Joint Co. Secretary, NED
Wong Yu Loon	NED
Tan Peng Chin	Independent NED
Peter Church (OAM)	Independent NED
Thomas Teo Liang Huat	Independent NED

Major Shareholders (Pre-Entitlement Offer)¹

Shareholder	Shares (m)	~%
Newtimes Marine Co. Limited and Mr Huang Gang ⁶	60.70	10.0%
Stratford Sun Limited ⁷	58.73	9.7%
Ramley International Limited and Mr Low Ngee Tong ⁸	51.65	8.5%
Dino Company Limited and Ms Heng Siow Kwee ⁹	50.73	8.4%
Boustead Singapore Limited	50.00	8.3%
Hanwa Co., Ltd ¹⁰	25.00	4.1%

Note 1: Sourced from IRESS Market Technology and Company reports

Note 2: As at market close on Wednesday, 15 August 2012

Note 3: Assumes 181,231,545 New Shares are issued under the Entitlement Offer, being all of the shares offered under the Entitlement Offer (i.e. assumes all shareholders take up their full entitlement so that the Entitlement Offer raises gross proceeds of ~A\$72.5m, with issue costs of ~A\$2m). See Appendix slide 35 for the impact if the Entitlement Offer raises only the Major Shareholder Pre-Committed Amount

Note 4: The initial conversion price is A\$0.80 per share, however this is expected to be adjusted after the record date in accordance with the terms of the convertible note due to the impact of the Entitlement Offer

Note 5: Increase in market capitalisation based on an increase in cash as a result of the Entitlement Offer (based on the assumption in Note 3). See also Appendix slide 35

Note 6: Per the substantial holder notices filed by Newtimes Marine Co. Limited and Mr Huang Gang, both have a relevant interest in 60,699,387 shares

Note 7: Per the substantial holder notices filed by Stratford Sun Limited, Consolidated Minerals Limited has a relevant interest in the shares held by Stratford Sun Limited pursuant to OMH's Bye-law 52AAA.1(15)

Note 8: Ramley International Limited is wholly owned by Mr Low Ngee Tong. Per the substantial holder notices filed by Ramley International Limited and Mr Low Ngee Tong both have a relevant interest in 51,645,000 shares

Note 9: Dino Company Limited is wholly owned by Ms Heng Siow Kwee. Per the substantial holder notices filed by Dino Company Limited and Ms Heng Siow Kwee both are associated. Ms Heng holds 3.6m shares personally in the total 50,732,130 shares held

Note 10: Shareholding does not include the shares that may be issued to Hanwa Co., Ltd under the terms of the convertible note described in the OMH ASX announcement of 29 February 2012

Strategic Focus

Vertically integrated business leveraged to the manganese value chain

Manganese Mining & Exploration

Australia

- Bootu Creek – 1.0m tonnes per annum production capacity

South Africa

- Tshipi Borwa (OMH indirect interest of 13%)

Additional exploration

- Bootu, Helen & Renner Springs
- Regional exploration

Ferroalloy Smelting

Operational

- China – 60,000 tonnes of HCFMn and 300,000 tonnes of manganese sinter capacity for the domestic market

Development

- Sarawak Project (Malaysia) – Ferro Silicon and Manganese alloys, manganese sinter and logistics hub for the Asian and global steel industry (OMH interest of 80%)

Marketing & Trading

OM Sarawak marketing

- Binding offtake term sheets with Hanwa and JFE
- Region-specific marketing agency relationships

Marketing and trading

- Equity product sales
- Marketing agencies
- Third party trading

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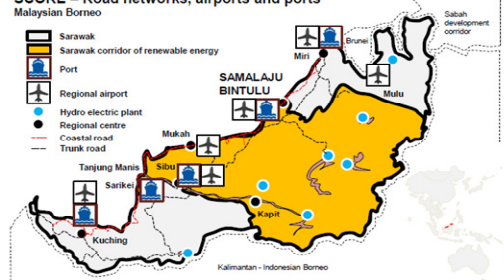
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Sarawak Project Overview

Project and Location

- Sarawak Project owned and being developed by OM Materials (Sarawak) Sdn Bhd (**OM Sarawak**), a joint venture company owned by:
 - OMH (80%)
 - Cahaya Mata Sarawak Bhd (**CMS**) (20%)
- Expected capex ~US\$592m (~A\$564m)¹
- Strategically located within Sarawak Corridor of Renewable Energy (**SCORE**)
- Smelter utilising proven technology and expected to produce ~575,000 tpa ferroalloys for the Asian and global steel markets
- Project modelling includes independent CRU forecasts for product sales prices and key material input costs
- Expected lowest cost quartile producer of ferrosilicon alloy
- Ferrosilicon production planned to be commissioned as a priority in Q1, CY2014 to leverage market conditions, offtake arrangements, higher expected margins and to expedite cash flows
- Planned 22 x 25.5 million volt amperes (MVA) submerged arc furnaces and one 36 square metre manganese ore sintering line

SCORE – Road networks, airports and ports



Note 1: OMH's 80% share is ~A\$451m (refer to slide 18 for expected funding). Assumes exchange rate of A\$1/US\$1.05

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Sarawak Project Key Drivers

Power

- 20 year Power Purchase Agreement for 500 MW per annum: take-or-pay basis for initial term of 20 years, with a competitive fixed tariff subject to agreed rate adjustment for inflation
- 2,400 MW capacity Bakun Hydro Dam with 4 turbines (300 MW capacity each) fully commissioned and operating. The other 4 turbines expected to be commissioned in 2013
- All conditions precedent to Power Purchase Agreement were satisfied in May 2012
- Power ~50% of FeSi smelter operating costs¹

Raw Materials

- Reliable high grade, long life, low cost manganese supply (Bootu Creek and Tshipi Borwa²)
- Geographical proximity to other key raw material inputs – quartzite, coke and reductants

Location and Infrastructure

- Industrial land is less than 5km from the Samalaju Port facility (currently under development)
- Purpose-built industrial infrastructure under development
- Proximity to key Asian markets

Incentives

- Tax incentives include a 5 year tax free holiday (statutory corporate tax rate of 25%)
- No current import or export duties

Capability and Partners

- OMH has established mining, smelting and marketing capabilities
- CMS is a leading Malaysian conglomerate and the largest private sector company in Sarawak
- Key strategic relationships including binding offtake term sheets with strategic partners

Note 1: Source: CRU Report "FeSi market, cost and price outlook to 2025", October 2011

Note 2: OMH holds an indirect interest of 13% of Tshipi Borwa, which is expected to commence production during the later part of 2012

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Key Relationships, Project Debt Financing and Offtake

Investors and Strategic Relationships

- OMH equity partners
 - Boustead Singapore Limited – SGX¹-listed engineering services business
 - Hanwa Co., Ltd. – TSE¹-listed specialist marketer of steel making ferroalloys (**Hanwa**)
- Project equity partner
 - CMS – listed on the Main Market of the Bursa Malaysia Securities Berhad formerly known as the KLSE
- Project offtake partners
 - JFE Shoji Trade Corporation – a member of the JFE Group, which includes JFE Steel Corporation (**JFE**)
 - Hanwa

Project Debt Financing Update

- Sarawak Project is expected to be 70% project debt finance funded (US\$428m) by a consortium of banks
- Leading Malaysian and international banks have submitted indicative funding participation terms
- See slides 18 and 19 for further details

Offtake Arrangements

- OM Sarawak is targeting to secure up to 60% of production under offtake agreements focused on end-user integrated steel mills²; approximately 42% of FeSi production and 26% of Mn alloy production offtake has been secured to date
- Balance to be sold under market-driven arrangements to leverage on OMH's market reach and sales expertise
- Initial focus is to secure offtake for FeSi production, in line with construction and production optimisation targets
- Binding offtake term sheets in place
 - JFE signed in June 2012 and Hanwa signed in July 2012

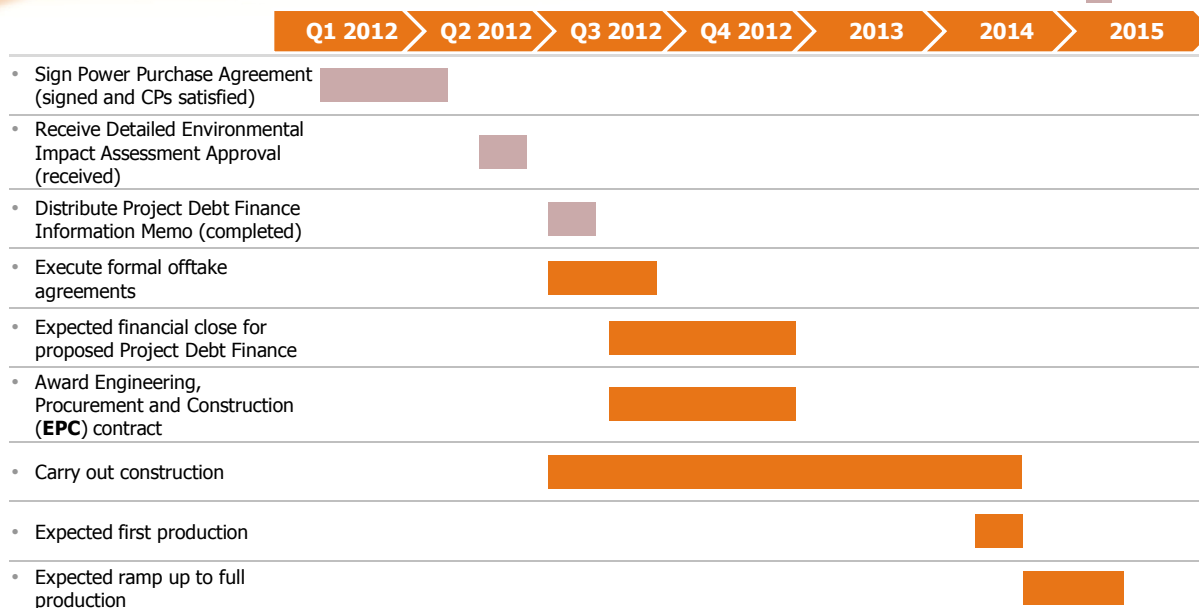
Note 1: Listed on the Singapore Exchange; TSE is the Tokyo Stock Exchange
Note 2: This is expected to be a requirement under the Project Debt Finance Facility

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Sarawak Project Indicative Timetable¹

Completed



Note 1: These dates are indicative only and are subject to change without notice. OMH gives no guarantee that this timetable will be met. OMH's ability to meet the timetable is affected by a variety of matters, including matters outside of OMH's control. The proposed Project Debt Finance is subject to negotiation, agreement and execution of formal documentation with Standard Chartered Bank (OMH's financial adviser in relation to the Project Debt Finance) and all other relevant parties that is on terms acceptable to OM Sarawak and OMH. Please also refer to the "Key Risks" on slides 21 to 32 for more detail.

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Indicative Sarawak Project Funding Overview (100%)

Proposed Uses	A\$m ⁸	Sources	A\$m
Estimated capital expenditure ¹	564	Total Debt (70%)⁸	408
Working capital	28	• Project finance ^{3,8}	408
Other ²	(9)	Total Equity (30%)	175
		• OMH (80% equity contribution)	140
		– Equity contribution to date	35
		– Entitlement Offer ⁴	70.5
		– Balance of equity contribution required	34.5
		– Cash on hand ⁵	~44
		– ASX listed investments ⁶ (NFE and SRR)	~30
		• CMS (20% equity contribution)⁷	35
		– Equity contribution to date ⁸	9
		– Balance of equity contribution required ⁸	26
Total	583	Total	583

Note 1: Includes a contingency for US\$25m. There is also additional cost overrun provisioning included in the modelling for the Sarawak Project (but not in this estimated capex amount) of US\$60m to be funded 50/50 by debt and equity by OM Sarawak, if required.

Note 2: Includes net pre-operating expenses and an estimate of funding costs.

Note 3: Assumes the project debt financing (excluding a US\$30m cost overrun facility) for the Sarawak Project can be obtained on terms acceptable to OM Sarawak and within the expected timeframe. See slide 22 for further information on "Key Risks – Funding (including for the Sarawak Project) and indebtedness". Debt amount does not include OMH's contingent liabilities arising from (1) the sponsor guarantee given in connection with its 80% share of OM Sarawak's obligations (including but not limited to termination payments, late payment interest and guaranteed obligations) under the Power Purchase Agreement entered into with Syarikat SESCO Berhad (SSB) on 2 February 2012 (OMH's maximum exposure under the sponsor guarantee is MYR496 million (approximately A\$153 million) plus enforcement costs pursuant to any dispute plus any late interest payments) (2) the corporate guarantee for its 80% share of the issuance of a banker's guarantee in favour of SSB to cover but not limited to unpaid claims on the interconnection facilities constructed by SSB. OMH's maximum exposure until the completion of testing and commissioning (assuming no events of default) is approximately MYR25 million (approximately A\$8 million) or (3) the completion guarantee expected to be given by OMH in connection with the Sarawak Project debt financing.

Note 4: Estimated net proceeds of the Entitlement Offer assuming all shareholders take up their full entitlement so that the Entitlement Offer raises A\$72.5m (prior to issue costs of ~\$42m). The Entitlement Offer, which is not underwritten, is expected to raise at least the Major Shareholder Pre-Committed Amount of ~A\$29m (prior to issue costs of ~\$42m). In the event that the Entitlement Offer raises no more than the Major Shareholder Pre-Committed Amount, the net proceeds of the Entitlement Offer, together with the OMH Group cash on hand and the proceeds of the sale of its ASX-listed investments may not be fully sufficient to fund OMH's required equity contribution to the Sarawak Project. See slide 19 for details of OMH's contingency plans for this possibility.

Note 5: Cash and bank balances as at 30 June 2012 after debt repayment of A\$10,868,000 in July 2012 and excluding cash and bank balances in OM Sarawak of A\$12,651,000.

Note 6: Principally comprised of the expected proceeds of sale of the 52,482,500 shares in Northern Iron Limited (NFE) held by OMH (based on the closing price of NFE shares on ASX on Wednesday, 15 August 2012 of A\$1.14) and less a mandatory debt repayment of ~A\$30 million under OMH's corporate level debt financing facility that would be triggered by the sale.

Note 7: Assumes CMS contributes its share of the required equity funding of the Sarawak Project pursuant to the joint venture arrangement governing OM Sarawak. See "Key Risks – Joint Venture Risks" on slide 24.

Note 8: Converted at a rate of A\$1/US\$1.05.

Project Funding

Project Debt Facility

- Standard Chartered Bank (**SCB**) appointed as financial adviser for Sarawak Project Debt Finance
- SCB and OMH prepared a detailed Information Memorandum (**IM**) which was dispatched to prospective lenders in early July 2012
 - IM and associated due diligence process subject to independent technical review by Evans & Peck (member of the WorleyParsons Group) and independent market analysis by CRU Strategies (division of CRU International Limited)
- Sarawak Project is expected to be 70% project debt financed by a consortium of international and regional banks
 - There has been a positive response to the IM with initial indicative funding participation amounts received from 6 major banks to date, including Malaysian, Chinese and international banks, including SCB
 - The funding participation amounts collectively well exceeded the project's debt funding requirements
- Expected execution of Project Debt Finance Facility documents in H2, CY2012
- OMH and CMS to provide a completion guarantee on a several, pro-rata basis

Entitlement Offer

- The Entitlement Offer is **not** conditional on OM Sarawak successfully obtaining project debt financing for the Sarawak Project
- OMH will use the net amount raised under the Entitlement Offer to fund the development of the Sarawak Project
- The Entitlement Offer is not underwritten and there is no guarantee that OM Sarawak will obtain the project debt financing sought or that it will be offered on terms acceptable to OM Sarawak
- Should project financing not be fully obtained or a lower amount than necessary be raised under the Entitlement Offer, then OMH and OM Sarawak will evaluate the design and execution of staged development alternatives in a technically and commercially viable manner

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Key Risks

GENERAL RISKS

There are various risks associated with investing in OMH, as with any stock market investment and, specifically, because of the nature of OMH Group's investments, mineral exploration, production and processing assets and the present stage of development of certain of these assets. This includes projects in which the OMH Group has an interest, including, the Sarawak Project (80% interest) and Tshipi Borwa manganese project (indirect 13% interest) both of which are currently under development. A reference to OMH or the OMH Group in this "Key Risks" section should therefore be taken to include, where relevant, a reference to those project interests.

Potential investors should consider whether the New Shares offered in the Entitlement Offer are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. Many of those risk factors are outside the control of OMH's directors.

It is important to recognise that share prices might fall or rise and shareholders may or may not receive dividends. Factors affecting the operating and financial performance of the OMH Group and the market price of OMH shares include domestic and international economic conditions and outlook, changes in government fiscal, monetary, taxation, regulatory policies, changes in interest rates and inflation rates, changes to commodity prices, the announcement of new technologies and variations in general market conditions and/or market conditions which are specific to a particular industry. In addition, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of OMH shares.

The forward-looking information provided in this presentation with respect to, but not limited to, production forecasts, growth forecasts of OMH's resources and reserves, sales, earnings and capital expenditure estimates is based on certain assumptions which are inherently subject to significant uncertainties. The actual results of the OMH Group's operations in future years may therefore differ from its current estimates.

SPECIFIC RISKS

Dependence on commodity prices, particularly manganese and ferroalloy prices

The demand for, and price of, minerals is highly dependent on a variety of factors, including international supply and demand, the price and availability of alternative products, actions taken by governments, and global economic and political developments. Given the OMH Group's vertically integrated business model, which primarily focuses on exploration, mining, sintering, smelting and marketing/trading (including via direct investments or joint ventures in manganese and iron ore assets of varying degrees of maturity) of manganese and manganese products, the OMH Group's operating and financial performance is heavily reliant on the prevailing global price of manganese and ferromanganese intermediate products. Volatility in global manganese and ferroalloy markets may therefore materially affect OMH's profitability and financial performance and the price of its shares. In addition, any sustained low manganese price will adversely affect OMH's businesses, financial results, and its ability to finance its development projects (such as its interest in the Sarawak Project, the development of which is dependent on OMH's ability to secure significant project financing commitments), its investment projects (such as its investment in the Tshipi Borwa manganese project in South Africa, with OMH's remaining investment commitment expected to be financed via OMH Group operating cash flows) or its planned capital expenditure commitments (in the ordinary course of the OMH Group's operations).

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Key Risks

SPECIFIC RISKS (cont.)

Dependence on commodity prices, particularly manganese and ferroalloy prices (cont.)

The factors which affect the price of manganese ore and ferromanganese intermediate products are largely outside of the control of OMH and its directors and include, but are not limited to: global manganese supply and stockpiles; global demand for manganese and ferromanganese intermediate products; the velocity and intensity of global steel manufacturing (and particularly, Chinese steel manufacturing); political developments in manganese producing countries; the weather in manganese producing regions; the price and availability of manganese substitutes; and the sentiment or economic conditions in the countries and sectors in which the OMH Group sells its products. Given this complex array of factors which contributes to the price of manganese and ferromanganese intermediate products, it is particularly difficult for OMH to predict with any certainty the prevailing price for manganese products.

Funding (including for the Sarawak Project) and indebtedness

OMH's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to generate or raise additional funds for future operations and to repay or refinance debts as they fall due. Existing funds may not be sufficient for expenditure that might be required for acquisitions, new or existing projects, further exploration and feasibility studies. For example, while the OMH Group intends to finance OMH's investment commitment to the Tshipi Borwa manganese project from its OMH Group operating cash flows, there can be no guarantee that the cash flows will be sufficient for this purpose. Additional equity or debt funding may not be available to the OMH Group on favourable terms, if at all. If adequate funds are not available in the future on acceptable terms, the OMH Group may not be able to continue its business or particular developments, take advantage of opportunities, develop new ideas or respond to competitive pressures.

In particular, the Sarawak Project requires significant future external funding to complete the development and commissioning phase. The OMH Group and its Sarawak Project joint venture partner, CMS, are currently seeking, through OM Sarawak, project debt financing for the Sarawak Project of approximately US\$428m (~A\$408m) for the project from a range of regional and international banks. The project debt financing continues to be the subject of evaluation and assessment of the Sarawak Project by prospective lenders and is dependent on the ability of the project company, OM Sarawak, to secure a suitable EPC contract, as well as sufficient offtake and feedstock agreements, relating to the project (together, the **Project Contracts**) in a form satisfactory to the lenders. Accordingly, there can be no assurance that the project debt financing for the Sarawak Project will be secured or, if it is, that it will be on favourable terms. Even if binding agreements in relation to the project debt financing are entered into, there is a risk that the conditions precedent to draw down the funding (which are expected to include customary matters such as legal and technical opinions satisfactory to the lenders, as well as expenditure of the equity financing) will not be satisfied. Further, while the project debt financing is expected to be non-recourse to the OMH Group and CMS, it is expected that OMH and CMS will be required to provide completion guarantees. If the development of the Sarawak Project does not proceed as expected (as to which see below under "Development project and capital expenditure estimates risks"), OMH's completion guarantees may be called upon. This could impact on the OMH Group's financial performance or position. Also, it is expected that the project financing will be secured by all of the assets of the Sarawak Project. Accordingly, if the borrower under the project debt financing fails to repay the monies borrowed, the secured project financiers could proceed against the Sarawak Project assets.

Aspects of the project debt financing, such as interest rates and exchange rates, are likely to be hedged or required to be hedged by the lenders. There can be no assurance that OM Sarawak or the OMH Group will be able to hedge such exposures on acceptable terms in the future or that any hedging conducted by OM Sarawak or the OMH Group will be effective or will not result in an adverse financial impact arising from the inability to benefit from a favourable movement in interest or exchange rates.

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Key Risks

SPECIFIC RISKS (cont.)

Funding (including for the Sarawak Project) and indebtedness (cont.)

As the OMH Group has other existing external borrowings, there is a risk that it may not be able to service its debt obligations. The OMH Group is also exposed to risks relating to the covenants in, and the refinancing of, those existing external borrowings (see for example, OMH's quarterly update given to ASX on Tuesday, 17 April 2012, which detailed the terms of a successful refinancing of its term loan facilities, following a technical breach by an OMH Group member of certain covenants embedded within those loan facilities). Factors such as a deterioration in the OMH Group's financial performance, falls in manganese prices and adverse changes in the Australian dollar (some of which are beyond OMH's control) could lead to the OMH Group not being able to service its debts or again breaching its covenants. In such circumstances, lenders may require that loans be repaid immediately. If this occurs, the OMH Group may need to refinance at a higher cost of borrowing or on more restrictive terms (if refinancing is available at all). If the OMH Group's existing external borrowings are not able to be refinanced and are required to be repaid, it is possible that the OMH Group will need to realise assets for less than their fair value, which could impact the OMH Group's future cash flows and financial condition. If the amounts cannot be repaid, secured financiers could proceed against the security granted to them to secure the debt owed. Changes in the availability and cost of debt will impact the OMH Group's earnings and may impact on financial performance and the ability to conduct its operations.

In addition, if the terms of the EPC contract for the Sarawak Project are materially less favourable to OM Sarawak than expected, the capital costs associated with the Sarawak Project may be greater than expected.

Development project and capital expenditure estimates risks

The OMH Group is presently investing a significant amount of capital in the Sarawak Project and the Tshipi Borwa manganese project. These investments expose the OMH Group to a number of project-specific risk factors which are not present in its more mature operations or other circumstances (including, in the case of Tshipi Borwa, unfavourable geology, poor weather, inability to obtain work permits or port and rail allocations and insufficient availability of water and, in the case of the Sarawak Project, delays in development of the Samalaju Port, delays in the delivery of the materials required to construct the project, greater than expected needs for spare parts, any lack of co-ordination between the EPC contractor and sub-contractors and, if relevant, potential additional environmental applications in respect of slag storage) which may result in the project's delay, suspension or termination. Accordingly, and as with any pre-revenue development project, the Sarawak Project or the Tshipi Borwa manganese project may be delayed or may even be unsuccessful for many reasons, including unanticipated financial, operational or political events, cost overruns, a decline in prices or demand for processed manganese products, equipment and labour shortages, technical and engineering concerns, environmental issues, increased operating cost structures, community or industrial actions or other circumstances which may result in the projects' delay, suspension or termination. Any of these risks could result in the capital costs associated with the Sarawak Project or the Tshipi Borwa manganese project being greater than expected and may also necessitate increased funding requirements which could lead to additional equity or debt issuances being conducted by OMH.



Key Risks

SPECIFIC RISKS (cont.)

Construction and other operational risks

While the current capital expenditure and cost estimates of the development activities at the Sarawak Project are the best estimates currently available, there is no guarantee that actual costs will equal OMH's currently anticipated development costs. In addition, industrial and labour disputes, work stoppages and accidents, logistical and engineering difficulties with the Sarawak Project may also have an adverse effect on OMH's profitability and share price. The Sarawak Project is also reliant upon the construction of the Samalaju Port and related infrastructure in close proximity to the Sarawak Project both of which are not under the control of OMH and are currently being developed (the funding for which OMH understands is not yet in place). If such funding is not able to be obtained (or is not obtained by those undertaking the construction) the construction of the barge landing area at the Samalaju Port (phase 1 of construction) may be delayed beyond Q1 2014 and there may be a risk to the Sarawak Project production timeline.

Raw materials and offtake agreements

The success of the Sarawak Project depends in part on obtaining secure sources for raw material supply at reasonable prices and having certainty of offtake for final products once the smelting plant is constructed and operational. As at the date of this presentation, while OM Sarawak has obtained a number of binding term sheets in respect of certain of these items, no final formal contracts of this nature are in place and there can be no guarantee that such contracts will be able to be entered into on terms consistent with the OMH Group's expectations. That is, there is a risk that such contracts will be on terms less favourable to OM Sarawak than expected or not available at all.

Impact of inflation on costs

Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and development costs and potentially reduce the value of future project developments. While, in some cases, such cost increases might be offset by increased selling prices, there is no assurance that this would be possible.

Joint venture risk

The BorwaGroup is in a number of partnerships in relation to the ownership of certain of its assets and developments (including the Sarawak Project and the Tshipi Borwa manganese project). Structures of this type impose a number of constraints that do not exist where the asset is fully owned. In most cases, the OMH Group cannot make business decisions without consultation with (and, in many cases, unanimous agreement of) the other co-owners, including in relation to capital expenditure on and cash distributions from these assets. The OMH Group's ability to sell its interest in these assets may require the prior approval of the co-owners, or (in some cases) is subject to pre-emptive rights. Disagreements between joint venture partners or failure of other joint venture partners to perform their obligations under the joint venture arrangements (including the provision of funding) and delays in the approval process may adversely impact the value of the assets and developments.

For example, if CMS were to default on its obligation to fund its 20% portion of the equity funding for the Sarawak Project, there can be no assurance that the OMH Group will be able to fund the shortfall or attract strategic or other investors to make up the funding deficit.



Key Risks

SPECIFIC RISKS (cont.)

Production risk

Current production levels and stated production targets from, and exploration and exploration potential of, the Bootu Creek Manganese Mine may not be maintained or perform as expected. There is also the potential for delay in the achievement of targeted production levels and/or a failure to achieve the level of exploration success that is required to maintain current output or achieve future expected production levels. The operation of the Qinzhou smelter involves, and the operation of the Sarawak Project will involve, a number of inherent risks. Specifically, the plants are or will be reliant on critical equipment, such as furnaces and mills, and such equipment may incur downtime as a result of unanticipated failures or other events, such as fires, furnace breakdowns or loss of external power supply. This may materially and adversely impact the Company's business and profits in terms of production and penalties arising from the agreements (such as the Power Purchase Agreement and offtake agreements) to which it is a party.

In each of the OMH Group's operating activities, there is a risk that capital requirements and/or operating costs will be higher than expected or there will be other unexpected changes in the variables upon which production decisions are made. OMH's operating cost expectations for the Sarawak Project are based on its experience from its smelter in Qinzhou, China. There can be no guarantee, however, that the costs incurred to operate the Sarawak Project smelter will not be higher (including because of distance from suppliers and distributing regulations). The OMH Group's activities at its operational Bootu Creek Manganese Mine, its interest in the Sarawak Project and the Tshipi Borwa manganese project (each under development) and its activities at the Qinzhou smelter may also be affected by numerous other factors entirely beyond OMH's control. Mechanical failure of the OMH Group's operating plant or equipment, and other unanticipated technical or operational difficulties (including failure or damage caused by adverse weather conditions such as flooding, earthquakes, fire and other poor weather), may adversely affect OMH's operational and financial performance. In extreme circumstances, these potential risks or difficulties may necessitate additional funding requirements which could lead to additional debt or equity raisings being conducted by OMH.

Nature of manganese exploration and production

Manganese exploration and production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The OMH Group's mining operations are subject to hazards normally encountered with exploration and production enterprises and include, but are not limited to: unexpected or disappointing geological conditions or exploration results, hazards to employees and other incidents which could result in damage to plant or equipment or personal injuries, in each case which may cause a material adverse impact on the OMH Group's operations and financial results.

Mineral resources and ore reserves

No assurance can be given that the anticipated tonnages and grade of manganese ore will be achieved during production or that the indicated level of recovery rates will be realised. Material price fluctuations, as well as increased production costs or reduced recovery rates, may render ore reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such ore reserves. Moreover, short-term operating factors relating to ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades may cause a mining operation to be unprofitable in any particular accounting period.

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Key Risks

SPECIFIC RISKS (cont.)

Transportation of manganese ore

The manganese product produced at the Bootu Creek Manganese Mine is required to be bulk transported by truck, rail and sea to both end users and the OMH Group's sintering and smelting operations in the Qinzhou, China (and in the future to its Sarawak Project smelting facility in Malaysia). There are risks associated with each stage of this bulk transportation process including the condition and maintenance of roads, trucks, rail lines, trains, and port facilities. Given the remoteness of the Bootu Creek Manganese Mine site and of the Sarawak Project, and the vast distances that OMH's product travels in order to be delivered to either OMH's intermediate processing facilities or end users as the case may be, there is a risk of accidents (such as the accident which was announced by OMH on 3 January 2012, where a freight train bound for Darwin derailed on Edith River Bridge, which caused delays to a number of OMH's scheduled export shipments), unexpected transportation and fuel costs and unexpected delays that could each singly or collectively negatively impact upon OMH's financial performance and condition.

The Sarawak Project is located in a remote location which will make it susceptible to limitations in transport services and costs associated with transportation due to, amongst other things, rises in the price of fuel and also makes it susceptible to the availability of personnel, specialist services, parts, equipment and supplies on a timely basis.

Availability and cost of key equipment

The OMH Group has significant equipment and construction material requirements for both its current operations and its development activities and any delay on the part of such equipment and material suppliers to deliver to schedule, or any cost increases could have an adverse impact on the OMH Group's financial performance and/or financial position.

Sintering and smelting operations

OMH's Qinzhou manganese sinter plant and alloy smelter operations are particularly vulnerable to power and energy disruptions which may impair the plant's productive capacity and output performance and ultimately OMH's profitability and financial condition. Other factors, including the price of manganese, the demand for steel, the availability and price of manganese substitutes, cost overruns, a decline in prices and demand for processed manganese products, equipment and labour shortages, technical and engineering concerns, environmental issues, increased operating cost structures, community or industrial actions or other circumstances could impair the plant's productivity or economic performance. Any of these risks may necessitate additional funding requirements which could lead to additional equity or debt issuances.

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Key Risks

SPECIFIC RISKS (cont.)

Environmental regulation

Environmental regulations both in Australia and overseas imposes significant obligations on companies that conduct the exploration for and mining of manganese ores. The regulations also cover the subsequent transportation of those minerals and its sintering and smelting, as well as the possible effects of such activities upon the environment and local communities. The OMH Group must comply with all known standards, existing laws, and regulations which may entail greater costs and delays depending on the nature of the activity to be permitted and how vigorously the regulations are administered by the local permitting authorities. In addition, changes in these laws and regulations may adversely affect the OMH Group's operations, including the profitability of the operations. Environmental legislation is evolving in a manner which may require stricter standards and enforcement and expose relevant operators to the risk of increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environment regulation, if any, will not adversely affect OMH's operations.

Climate change

The OMH Group's activities, including mining and smelting, are energy intensive and depends on fossil fuels. Changing Government regulation and policy responding to climate change may adversely affect the OMH Group's cost of operations and reduce its profitability.

Recently, the Australian government enacted the Clean Energy Act 2011 (Cth) (**CEA**) and a series of related legislation introducing a national greenhouse gas emission trading scheme through a carbon pricing mechanism (**CPM**). Under the CEA, the CPM will initially operate for a period of 3 years (1 July 2012 – 30 June 2015) as a fixed price mechanism and, from 1 July 2015, will convert into an emissions trading mechanism. During both the fixed price period and later when the flexible price emissions trading scheme commences, emitters of greenhouse gases who emit in excess of specified thresholds will be liable to purchase and relinquish carbon units for each equivalent tonne of carbon dioxide released into the atmosphere.

Even if the OMH Group is not directly liable under the CEA, the commencement of the CPM and associated regulatory changes is likely to raise the OMH Group's production costs, particularly in relation to fuel and energy costs.

The CPM will begin with a three-year escalating price phase, before converting to a flexible price, cap-and-trade emissions trading scheme. During the fixed price phase, prices will be set by the Australian Government, initially at a price of A\$23 (representing A\$23 per tonne of carbon equivalent) and rising at 2.5% per annum until 30 June 2015. For the first three years of the flexible price phase, the price of emissions units will be determined by the market but will be subject to regulated floor and ceiling prices. From 1 July 2018, the price cap and floor will be removed and the emission unit price will be determined wholly by the market.



Key Risks

SPECIFIC RISKS (cont.)

Climate change (cont.)

The Australian Productivity Commission has been commissioned by the Australian Government to review arrangements for emissions-intensive trade exposed industries in 2014/2015 with a minimum three years' notice of any changes. The potential impact of the CPM beyond the first four years will depend on a range of factors, including the outcome of the proposed review and the government of the day's response to the review.

There is a risk that costs associated with carbon emissions may impact profitability to the extent that the Company is unable to pass these onto customers and may impact the commercial viability and value of the existing facilities.

There is also a risk that a change in the Australian Government could result in the CEA being amended or repealed. The consequences of a repeal of the amendment of this legislation could be negative or positive for the OMH Group. The Leader of the Opposition has indicated that if elected, any Coalition Government would repeal the CEA and dismantle the carbon pricing mechanism. However, the Leader of the Opposition has also indicated support for the Government's unconditional position of achieving a 5% reduction of greenhouse gases (measured against 2000 levels) by 2020. Details of the method by which the Opposition proposes to achieve any such reduction have not been announced, but it is intended to reduce emissions by tree planting, better soil management and changes in technology.

Carbon/emission schemes in other jurisdictions

In addition to Australia, it is possible that other countries in which the OMH Group operates, such as Singapore, Malaysia, South Africa or China, may introduce regulations which impose a cost on greenhouse gas emissions and energy intensive assets with application to OMH Group operations. Subject to the terms of these regulations, these regulations could materially impact the OMH Group's operations, directly or indirectly.

Key personnel and labour market risk

The OMH Group has a number of key management personnel on whom it depends to run its business. In addition, OMH Group may, from time to time, require additional key personnel or operational staff. The loss of any key personnel, coupled with any inability to attract suitably qualified replacement personnel, or in the ability to attract suitably qualified additional personnel could have a material adverse effect on the OMH Group's financial performance.

OMH Group may face difficult attracting such personnel given in certain cases the remote location of the projects, (in the case of the Sarawak Project) the inexperience of persons local to the project with work of the nature required at the smelter, the lack of infrastructure in the nearby surrounding areas, and the shortage of a readily available labour force. A limited supply of skilled workers could lead to an increase in labour costs and the OMH Group being unable to attract and retain the employees it needs. When new workers are hired, it may take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely.

Industrial action

The OMH Group is conscious of its reliance on skilled and productive employees and contractors to maintain its production levels. It has taken deliberate steps to be thorough in selecting individuals with such characteristics to be its employees. Any industrial action by the OMH Group's employees or its contractors' employees has the potential to disrupt mining exploration and consequently, may adversely affect the OMH Group's financial performance and/or financial position.



Key Risks

SPECIFIC RISKS (cont.)

Health and safety

Health and safety regulation affects the OMH Group's activities. Exploration and mining are potentially hazardous activities. If any injuries or accidents occur in a mine, this could have financial implications for OMH including potential delays or stoppages. In Australia, the occupational health and safety laws to which OMH Group is subject are undergoing changes as a part of the OH&S law harmonisation program being implemented by the Federal and State Governments of Australia. Any failure by the OMH Group to comply with the new codes (for example, a failure to update its policies) could expose the OMH Group to liability.

Currency and exchange rate risk

As the OMH Group's activities produce revenues and incur expenses in a variety of different currencies its profitability, financial performance and position are impacted by fluctuations in exchange rates. Accordingly, the OMH Group is exposed to exchange rate risk which may materially affect its financial performance.

Counterparty risk and reliance on third parties

As part of the OMH Group's ongoing commercial activities, OMH entities enter into sales, supply and other contracts with various third parties for the delivery of manganese ores and ferromanganese intermediate products and for the provision of raw materials (including electricity and energy) into the sintering and smelting of manganese ore products. Members of the OMH Group also use contractors and other third parties for exploration, mining and other services generally. In addition, OM Sarawak expects to enter into the Project Contracts (as well as other contracts, such as in relation to maintenance) in connection with the Sarawak Project.

The ability of counterparties to meet their commitments under such commercial arrangements or problems caused by third parties, may impact on the OMH Group's financial and operational performance. For example, if the EPC contractor fails to properly manage the Sarawak Project (including dealing with stakeholder issues or interface with sub-contractors, which are significant for a project of this size) or otherwise fails to perform the EPC contract (whether because of capacity constraint, lack of familiarity with the location or otherwise), the success of or costs to complete the Sarawak Project may be adversely impacted. There can be no assurance that the OMH Group would be successful in attempting to enforce any of its contractual rights through legal action in those circumstances.

The OMH Group has entered into a number of "take or pay" contracts with other parties that oblige it to pay for an agreed amount of goods or services whether the relevant entity uses them or not. This includes an executed Power Purchase Agreement for the Sarawak Project which was announced on 2 February 2012. Any disruption in the ability of the smelter to consume the power that is not classified under the Power Purchase Agreement's force majeure clause, will expose the OMH Group to penalties for the shortfall.



Key Risks

SPECIFIC RISKS (cont.)

Competition

Competition from Australian and international mineral producers may affect the cash flow and earnings which the OMH Group will realise from its operations. For example, the introduction of new mining and development facilities and any increase in competition and supply in the global manganese market could lower the price of manganese and ferromanganese intermediate products. The OMH Group may also encounter competition from other mining companies for the acquisition of new projects to sustain or increase its mineral production, affecting its ability to acquire new interests on acceptable terms. Also, if the OMH Group's competitors in the ferro alloy smelting market are able to secure power on terms similar to OM Sarawak's Power Purchase Agreement or lower cost ore more proximate to their smelters, the competitive advantage enjoyed by the Sarawak Project may diminish over time.

Government actions

The OMH Group's operations could be adversely affected by government actions in Australia, Malaysia, the People's Republic of China, Singapore or South Africa or other countries or jurisdictions in which it has operational exposures or investment interests. These actions include, but are not limited to, the introduction of or amendment to or changes in the interpretation of, legislation, guidelines and regulations in relation to mining and resources exploration and production, taxation, the environment, carbon emissions, power supply, port capacity allocation, competition policy, native title, cultural heritage and so on. Such actions could impact upon land access, the granting of licenses and permits, the approval of project developments and ancillary infrastructure requirements and the cost of compliance. The possible extent of the introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect the OMH Group is difficult to predict. Any such government action may require increased expenditure commitments or even additional capital in order to ensure compliance or could delay or even prevent certain operations/activities of the OMH Group. Such action could therefore have a material adverse effect on the OMH Group's financial condition.

Tax risk

The OMH Group is subject to taxation and other imposts in Australia, Malaysia, the People's Republic of China, Singapore and South Africa and other jurisdictions in which the Company has activities and investment interests. Future changes in taxation laws or changes to or cessation of the availability of tax incentives currently available in those countries, including changes in the interpretation or application of existing laws by the courts or applicable revenue authorities in those jurisdictions may affect the taxation treatment of the OMH Group's business activities thereby impacting on the OMH Group's financial performance and profitability. In addition to the normal level of income tax imposed on companies in all industries, companies in the resources sector are required to pay government royalties and indirect taxes and other levies. The profitability of companies in this industry can be adversely affected by changes in government taxation and royalty policies or in the interpretation or application of such policies.



Key Risks

SPECIFIC RISKS (cont.)

Regulatory risk

The OMH Group's businesses are subject, in each of the countries in which it operates, to various national and local laws and regulations relating to the exploration/development, production, marketing, pricing, transportation and storage of the OMH Group's manganese products. Permits from a variety of regulatory authorities are required for many aspects of mine operation, product transportation and ore processing. A change in the laws which apply to the OMH Group's businesses or the way in which it is regulated could have a material adverse effect on the OMH Group's business and financial position and performance. Other changes in the regulatory landscape may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on the OMH Group's business and financial condition.

Security of tenure

The maintaining of tenements, obtaining renewals, or getting tenements or permits granted, often depends on the OMH Group being successful in obtaining statutory approvals for the proposed activity. While OMH anticipates that all regulatory approvals will be given as and when sought, there can be no assurance that such renewals or approvals will be given as a matter of course and there is no assurance that new conditions or unexpected conditions as the case may be will not be imposed.

Native title

The Native Title Act 1993 (Cth) (**Native Title Act**) recognizes and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. It is possible that, in relation to tenements in which the OMH Group has an interest or in the future may acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist on tenements on which exploration is being conducted, the ability of the OMH Group to obtain the consent of any relevant landowner or to progress from the exploration phase to the development and mining phases may be adversely affected.

Areas containing sacred sites or sites of significance to Aboriginal people and subject to the Native Title Act exist at the Bootu Creek manganese mine and it is possible that there are other such sites on some or all of the OMH Group's other tenements.

As previously disclosed, following extensive consultation and liaison with the Northern Land Council, the Aboriginal Areas Protection Authority (**AAPA**), Native Title Parties and the Northern Territory Department of Resources, the OMH Group agreed to carry out remediation works at the Masai Sacred Site at the Bootu Creek manganese mine. These works commenced during the December 2011 quarter and were completed early in the March 2012 quarter. The AAPA lodged a complaint and served a summons on a subsidiary of the OMH Group in relation to the Masai Sacred Site, alleging desecration of a sacred site and seeking damages of approximately A\$2m. On 3 August 2012, the matter was adjourned by the Darwin Magistrate's Court until 11 September 2012. The OMH Group believes it has meritorious defences to AAPA's claims and intends to defend the action vigorously. Should the AAPA obtain a judgment adverse to OMH Group awarding damages, such judgment will not be materially adverse to OMH Group, but OMH Group may suffer from adverse publicity.

If any other land within the OMH Group's mining tenements contains sacred sites or sites of significance to Aboriginal people and subject to the Native Title Act, they may be subject to exploration, mining or other restrictions emanating from claims of Aboriginal heritage sites or native title.

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Key Risks

SPECIFIC RISKS (cont.)

Political risk, war, terrorism and natural disasters

The OMH Group's operations could be affected by political instability in Australia, Malaysia, the People's Republic of China, Singapore or South Africa or other countries or jurisdictions in which it has operations or investment interests. The OMH Group is therefore subject to risk that it may not be able to carry out its operations as it intends or to ensure the security of its assets (particularly those located outside of Australia). Given its geographic footprint, the OMH Group is subject to the risk of, among other things, loss of revenue, property and equipment as a result of expropriation, war, insurrection, civil disturbance, acts of terrorism and geopolitical uncertainty. The effect of these risks is difficult to predict and any combination of one or other of the above may have a material adverse effect on the OMH Group. OMH has a limited ability to insure against some of these risks and other 'force majeure' risks (such as natural disasters).

Legal risk

Members of the OMH Group are involved in litigation and disputes (such as the litigation initiated by AAPA referred to above) and may become involved in further unforeseen litigation and disputes which could have a material adverse effect on the OMH Group, its operations and its financial performance.

Approvals

OMH's financial performance could be adversely affected as a result of delays in obtaining necessary government approvals or if applications lodged for exploration licenses are not granted, or exploration licenses that have been granted for a fixed term are not renewed upon expiry.

Economic conditions

Economic conditions, both domestic and global, may affect the performance of the OMH Group. Adverse changes in macroeconomic conditions, including global and country-specific economic growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, among others, are variables which while generally outside of the control of the OMH Group and its directors, may result in material adverse impacts on the OMH Group's businesses, financial position and operating results.

Market volatility and investments

The price at which OMH's share trade on ASX may vary from time to time and may or may not exceed the Entitlement Offer price. The sale of a large parcel of OMH shares may cause fluctuation in the price at which OMH shares trade on ASX from time to time. In addition, the OMH Group has strategic investments in the ASX-listed Northern Iron Limited and Shaw River Manganese Limited. The price at which their shares trade on ASX may vary from time to time and are affected by a range of factors, many of which are beyond OMH's control. A decline in the value of both or either of the share of those companies may affect OMH's financial position.

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Pro forma Statements of Financial Position¹

Consolidated statement of financial position (all figures A\$ '000)	As at 30 June 2012 ²	Pro Forma adjustments assuming full takeup	Full Entitlement Offer Pro Forma as at 30 June 2012	Pro Forma adjustments assuming 40% takeup	Pre-Committed Pro Forma as at 30 June 2012
Current assets					
• Cash	67,705	70,516 ³ (10,868) ⁴	127,353	27,020 ³ (10,868) ⁴	83,857
• Other current assets	269,756		269,756		269,756
Total current assets	337,461	59,648	397,109	16,152	353,613
Non-current assets	251,820		251,820		251,820
Total assets	589,281	59,648	648,929	16,152	605,433
Current liabilities					
• Interest-bearing liabilities	104,373	(10,868) ⁴	93,505	(10,868) ⁴	93,505
• Other current liabilities	84,011		84,011		84,011
Total current liabilities	188,384	(10,868)	177,516	(10,868)	177,516
Non-current liabilities					
• Interest-bearing liabilities	81,018		81,018		81,018
• Other non-current liabilities	4,974		4,974		4,974
Total non-current liabilities	85,992		85,992		85,992
Total liabilities	274,376	(10,868)	263,508	(10,868)	263,508
Net assets	314,905	70,516	385,421	27,020	341,925
Equity					
• Capital / contributed equity	30,205	9,062 ³	39,267	3,625 ³	33,830
• Treasury shares	(2,330)		(2,330)		(2,330)
• Reserves	147,624	61,454 ³	209,078	23,395 ³	171,019
• Retained profits	128,475		128,475		128,475
• Outside equity interests in controlled entities	10,931		10,931		10,931
Total equity	314,905	70,516	385,421	27,020	341,925

Note 1: Above are the Pro Formas. See slide 7 for further details of the basis of preparation of this Financial Information

Note 2: As per OMH's Interim Financial Report which was subject to audit review and lodged with ASX on Wednesday, 15 August 2012

Note 3: Impact arising from the Entitlement Offer net of issue costs ~A\$2m assuming, in the Full Pro Forma, all shareholders take up their full entitlement and, in the Pre-Committed Pro Forma, that only the Major Shareholder Pre-Committed Amount is raised

Note 4: Impact arising from actual debt repayment which occurred in July 2012



OMH – Corporate Overview

Market and Financial Data¹

Impact of Entitlement Offer assuming full takeover		Pre-Entitlement Offer ²	Impact of Entitlement Offer	Post-Entitlement Offer
Last price	A\$	0.44	-	-
Ordinary shares on issue	m	604.1	181.2 ³	785.3
Unlisted options	m	19.0	-	19.0
Convertible notes	m	25.0 ⁴	-	25.0
Market capitalisation (undiluted)	A\$m	265.8	70.5 ⁵	336.3

Impact of Entitlement Offer assuming only the Major Shareholders Pre-Committed Amount is raised		Pre-Entitlement Offer ²	Impact of Entitlement Offer	Post-Entitlement Offer
Last price	A\$	0.44	-	-
Ordinary shares on issue	m	604.1	72.5 ⁶	676.6
Unlisted options	m	19.0	-	19.0
Convertible notes	m	25.0 ⁴	-	25.0
Market capitalisation (undiluted)	A\$m	265.8	27.0 ⁷	292.8

Note 1: Sourced from IRESS Market Technology and Company reports

Note 2: As at market close on Wednesday, 15 August 2012

Note 3: Assumes 181,231,545 New Shares are issued under the Entitlement Offer, being all of the shares offered under the Entitlement Offer (i.e. assumes all shareholders take up their full entitlement so that the Entitlement Offer raises gross proceeds of ~A\$72.5m, with issue costs of ~A\$2m. See the table below for the impact if the Entitlement Offer raises only the Major Shareholder Pre-Committed Amount

Note 4: The initial conversion price is A\$0.80 per share, however this is expected to be adjusted after the record date in accordance with the terms of the convertible note due to the impact of the Entitlement Offer

Note 5: Increase in market capitalisation based on an increase in cash as a result of the Entitlement Offer (based on the assumption in Note 3)

Note 6: Assumes 72,492,618 New Shares are issued under the Entitlement Offer, being all of the shares issued to those major shareholders who have already committed to take up their full entitlements

Note 7: Increase in market capitalisation based on an increase in cash as a result of the Entitlement Offer (based on the assumption in Note 6)

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Foreign Selling Restrictions

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (**PRC**) (excluding, for the purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

Hong Kong

Important information for "professional" and other legally permitted Hong Kong investors:

WARNING

The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. Recipients are advised to exercise caution in relation to any offer of the New Shares by the Company. If recipients are in any doubt about any of the contents of this document, they should obtain independent professional advice.

The New Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than:

- to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance; or
- in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance.

Further, no person shall issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that ordinance.

The information relating to the offering contained herein may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transferred to any person in Hong Kong.

This offering is not an offer for sale to the public in Hong Kong and it is not the intention of the Company that the New Shares be offered for sale to the public in Hong Kong. A person acquiring the New Shares under this offering as a professional investor must not offer those New Shares or any of them to the public within 6 months after their allotment.

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Foreign Selling Restrictions (cont.)

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (**FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Jersey

No offer or invitation to subscribe for New Shares may be made to the public in Jersey.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Singapore

This document has not been registered as an offer document with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an existing holder of Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act (Chapter 289) of Singapore (**SFA**); or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.



Foreign Selling Restrictions (cont.)

United Kingdom

Neither the information in this document nor any other document relating to the Entitlement Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is delivered on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, 'relevant persons'). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

If you (or any person for whom you are acquiring the New Shares) are in the United Kingdom, you (and any such person) are:

- i. a "qualified investor" within the meaning of Section 86(7) of the FSMA; and
- ii. within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO, as amended.

Additional information

This booklet (including the ASX announcement and the Investor Presentation reproduced in it) and the accompanying personalised Entitlement and Acceptance Form have been prepared by the Company. This booklet (and the information contained within it) is dated 16 August 2012.

No party other than the Company has authorised or caused the issue of the information in this booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this booklet.

This information is important and requires your immediate attention

You should read the information in this booklet carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the 'Key Risks' section of the Investor Presentation, which is included in this booklet, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company.

You should consult your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

The Company has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Entitlement Offer on 26 September 2012, on a normal 'T+3' settlement basis. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before they are quoted on ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Registry, the Lead Manager or otherwise. ASX accepts no responsibility for any statement in this booklet.

1. Eligible Shareholders

The information in this booklet contains an offer of New Shares to Eligible Shareholders in Australia, New Zealand and Singapore and certain other jurisdictions and has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 5.00pm (Perth / Singapore time) on the Record Date;
- either:
 - have a registered address on the Company's share register in Australia, New Zealand (and where they have a registered address in New Zealand, continue to be a registered holder of Shares as at 9.00am (Perth / Singapore time) on 28 August (the time that the Entitlement Offer opens) or Singapore;
 - have a registered address in another jurisdiction referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation (which is included in this booklet on pages 22 to 40) and it is lawful to make the Entitlement Offer in this booklet to them without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification, in each case, under the securities laws of that jurisdiction;
- are not in the United States and are not U.S. Persons (as defined in the U.S. Securities Act) and are not acting for the account or benefit of U.S. Persons; and

- are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Shareholders who do not satisfy each of these criteria are '**Ineligible Shareholders**'. Ineligible Shareholders will be sent a letter notifying them of the Entitlement Offer and their ineligibility to participate in it on or about 27 August 2012.

The Company may (in its absolute discretion) extend the Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Company, in its absolute discretion, reserves the right to determine whether a shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Entitlement Offer is not being extended to any retail Shareholders outside Australia, New Zealand or Singapore. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States.

The Company may (in its absolute discretion) extend the Entitlement Offer to any institutional Shareholder that has a registered address in a jurisdiction referred to in the 'Foreign Selling Restrictions' section of the Investor Presentation (which is included in this booklet on pages 22 to 40 (subject to compliance with relevant laws)).

2. Ineligible Shareholders

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to certain investors who are holders of Shares and who are in the United States or have registered addresses outside Australia, New Zealand and Singapore, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. Ineligible Shareholders are not eligible to participate in the Entitlement Offer due to securities law restrictions on the offer of New Shares in certain jurisdictions. The Company and the Lead Manager may arrange for the New Shares in respect of the Entitlements which would otherwise have been available to Ineligible Shareholders (along with those which would otherwise have been available to ineligible institutional Shareholders) to be offered for subscription in a process to certain institutional investors on behalf of Ineligible Shareholders.

3. No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

4. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

5. No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

6. Not investment advice or financial product advice

The Entitlement Offer to which the information in this booklet relates is being made in reliance on section 708AA of the Corporations Act. The information in this booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with the Australian Securities and Investments Commission, the New Zealand Companies Office or the Monetary Authority of Singapore.

The information in this booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act or the laws of your jurisdiction. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

The information in this booklet is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. The Company is not licensed to (and does not) provide financial product advice in respect of the New Shares.

The information in this booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the New Shares the subject of the Entitlement Offer. If, after reading this booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser without delay.

7. Foreign jurisdictions

The information in this booklet has been prepared to comply with the applicable requirements of the securities laws of Australia.

The information in this booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia, New Zealand and Singapore. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by the Company to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia, New Zealand or Singapore.

The distribution of this booklet (including an electronic copy) outside Australia, New Zealand and Singapore may be restricted by law. If you come into possession of this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Refer to the 'Foreign Selling Restrictions' section of the Investor Presentation, which is included in this booklet on pages 22 to 40 for more information.

7.1 New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Entitlement Offer is being made in reliance on the NZ Exemption Notice.

This booklet or material accompanying it has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This booklet or material accompanying it is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

7.2 Singapore

The New Shares are not being offered to the public within Singapore other than to existing Shareholders of the Company with registered addresses in Singapore to whom the Entitlement Offer is being made in reliance on the exemption contained in Section 273(1)(cd)(i) of the Singapore SFA.

This booklet has not been registered as a prospectus or other offer document with the Monetary Authority of Singapore. Accordingly, this booklet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an existing holder of Shares pursuant to Section 273(1)(cd) of the Singapore SFA or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the Singapore SFA.

7.3 United States

This booklet and any material accompanying it may not be released or distributed in the United States. This booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Shareholders will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

8. Governing law

The information in this booklet, the Entitlement Offer, and dealings in the Entitlements and the contracts formed on acceptance of the Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Eligible Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

9. Taxation

9.1 Australian tax implication for Eligible Shareholders in Australia

Set out below is a general summary of the potential Australian tax implications of the Entitlement Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

The summary below does not deal with the tax implications for Eligible Shareholders who are not residents of Australia for tax purposes. It also does not deal with the tax implications for Eligible Shareholders:

- who hold their Shares (or will receive their Entitlements) as revenue assets or trading stock such as banks, insurance companies and taxpayers carrying on a business of share trading;
- have acquired their Shares for the purposes of resale at a profit;
- who acquired their Shares (or will hold their Entitlements) under an arrangement that constitutes an 'employee share scheme' for Australian tax purposes; or
- are non-resident Shareholders that hold their Shares as an asset of a permanent establishment in Australia.

The summary is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Shareholder. The summary below is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible Shareholder.

Taxation is a complex area of law and the taxation consequences for each Eligible Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this booklet. Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Shares or the holding and disposal of Shares.

Issue of Entitlements

The issue of the Entitlements should not itself result in any amount being included in the assessable income of an Eligible Shareholder. This is on the basis that the Entitlements should satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and provided the other investor and investment requirements are met. The issue of the Entitlements should therefore be treated as non-assessable income and non-exempt income.

Acquiring New Shares by exercise of Entitlements

Eligible Shareholders who exercise all or part of their Entitlement will acquire New Shares in OMH. For these Eligible Shareholders:

- there should be no immediate Australian taxation liability in respect of the exercise of an Entitlement by an Eligible Shareholder to acquire a New Share;
- the Entitlements will cease to exist and a CGT event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which the Entitlements are exercised; and
- the New Shares should have a cost base for CGT purposes equal to:
 - where the Eligible Shareholder's existing Shares were acquired (or are taken to be acquired) on or after 20 September 1985, the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them; or
 - where the Eligible Shareholder's existing Shares were acquired (or are taken to be acquired) before 20 September 1985, the sum of the market value of the Entitlements

when they were exercised and the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.

Taxation of Dividends and Distributions

Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances. The actual date of acquisition of the New Shares will be relevant in satisfying the '45 day holding period' rule to be eligible to receive franking credits and in determining any CGT discount (see below).

Taxation of Capital Gains

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those shares. The cost base of those shares is described above.

An Eligible Shareholder will, therefore, make a capital gain from the disposal of their New Shares if the capital proceeds that they receive exceeds the cost base of their New Shares. Conversely, a capital loss will arise if the reduced cost base of the New Shares held by an Eligible Shareholder exceeds the capital proceeds they receive.

Any capital gain made from the disposal of the New Shares will be combined with any other capital gains an Eligible Shareholder has made for the income year. The total capital gains will then be reduced by any capital losses an Eligible Shareholder has made in the income year or can deduct from a prior income year. The resulting net capital gain (if any) will consequently be included in the Eligible Shareholder's assessable income for the income year, subject to any available CGT discount (please see below).

A capital loss that arises on the disposal of the New Shares may only be offset against an Eligible Shareholder's assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss may be applied against the Eligible Shareholder's future assessable capital gains (before taking into account the CGT discount, if applicable). A capital loss is not available to reduce other revenue or assessable income amounts.

Capital Gains Discount

Any capital gain arising to Eligible Shareholders who are individuals and trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting current year or prior year capital losses from other asset disposals) if they hold their New Shares for at least 12 months after the New Shares are acquired.

Eligible Shareholders which are complying superannuation funds, can generally reduce their capital gain by one-third (after first offsetting current year or prior year capital losses from other asset disposals) if they hold their New Shares for at least 12 months after the New Shares are acquired. The CGT discount is not available to Eligible Shareholders that are companies.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them.

Taxation of a return of capital by OMH

Where a return of capital is made by OMH, the cost base of the Eligible Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess triggering a capital gain.

Taxation of Financial Arrangements

An Entitlement or right to receive a share is a 'financial arrangement'.

The *Taxation of Financial Arrangement (TOFA)* provisions apply to make assessable or deductible, gains or losses arising from certain 'financial arrangements'. The TOFA rules apply for certain income tax years commencing on or after 1 July 2010. However, a taxpayer can elect to apply the TOFA rules to income tax years commencing on or after 1 July 2009 and may also elect to apply the TOFA rules to existing financial arrangements held at the relevant start date.

Some taxpayers are excluded from the TOFA rules unless they make an election for them to apply. This includes:

- individuals;
- superannuation funds with asset values of less than A\$100 million;
- managed investment schemes with asset values of less than A\$100 million;
- other entities with asset values of less than A\$300 million.

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Eligible Shareholders should obtain their own advice in relation to the potential application of the TOFA rules, in light of their own individual facts and circumstances.

Entitlements not taken up

Any Entitlement not taken up under the Entitlement Offer will lapse or expire and the Eligible Shareholder will not receive any consideration as a result of the expiration of the Entitlement. On this basis, in these circumstances, there should not be any tax implications for an Eligible Shareholder.

The Commissioner of Taxation (**Commissioner**) has released Taxation Ruling 2012/1 "Retail Premiums paid to shareholders where share entitlements are not taken up or are not available". In that ruling the Commissioner states that certain retail premiums are assessable as either an unfranked dividend or as ordinary income, and not as capital gains. However, as outlined in sections 4 and 5.2 and above, you will not receive any consideration for the lapse or expiry of your Entitlement not taken up under the Entitlement Offer or through any related sales process such that there is no retail premium paid from OMH to you. Accordingly, the tax treatment applied by the Commissioner in TR 2012/1 should not apply.

Sale of Entitlements

There is no opportunity for Eligible Shareholders to sell their Entitlements either privately or on ASX.

Withholding taxes

The law requires that tax be withheld by Australian resident companies from dividends paid to certain shareholders (for example, subject to certain exceptions, Australian tax resident shareholders who have not provided their Tax File Number (TFN) or Australian Business Number (ABN) or shareholders who are not Australian residents for tax purposes).

If you are an Australian tax resident Shareholder, and you have not previously provided your TFN or ABN to OMH, you may wish to do so prior to the close of the Entitlement Offer to ensure that withholding tax is not deducted from any dividends payable to you. If you do provide your TFN or ABN, withholding tax is not deducted from any dividends payable to you. If you do not provide your TFN or ABN, withholding tax may be deducted at the highest marginal tax rate plus Medicare levy (46.5%). Any amount of tax withheld from payments paid to you can be claimed as a credit in your Australian tax return.

You are able to provide your TFN online with the Registry at www.computershare.com.au. When providing your details online, you will be required to enter your SRN or HIN, as shown on your Issuer Sponsored/ CHESS statements and other personal details such as your postcode.

Collection of TFNs/ABNs in relation to your investment in OMH is authorised, and its use and disclosure are strictly regulated, by the tax laws and the Privacy Act.

For more information about the use of TFNs and/or ABNs, please consult your professional adviser or contact the ATO.

Other Australian taxes

No goods and services tax (**GST**) is payable and no stamp duty should be payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

9.2 Singaporean tax implications for Eligible Shareholders in Singapore

Set out below is a general summary of certain Singapore tax implications of the Entitlement Offer for Eligible Shareholders who are residents of Singapore for tax purposes and who hold their Shares as capital assets.

The tax consequences for investors may differ where Eligible Shareholders who are residents of Singapore for tax purposes hold the Shares for dealing purposes, as trading assets or as part of a profit-making undertaking or scheme.

The summary below does also does not take into account any individual circumstances of any particular Eligible Shareholder who is a resident of Singapore for tax purposes. Such Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the laws, regulations and interpretations thereof now in effect and available in Singapore as at the date of the Entitlement Offer. The summary is not intended to be and does not constitute legal or tax advice.

Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder who is a resident of Singapore for tax purposes.

Exercise of Entitlements

Subject to the qualifications noted above, the exercising of the Entitlements or subscribing for the New Shares will not itself result in any amount being included in the assessable income of an Eligible Shareholder who is a resident of Singapore for tax purposes.

New Shares

Eligible Shareholders who are residents of Singapore for tax purposes who exercise their Entitlements will acquire New Shares.

The tax consequences of distributions to Eligible Shareholders who are residents of Singapore will depend on the nature of the dividend / distribution made by the Company. As the Company is not a tax resident of Singapore, any dividends or other distributions received by Eligible Shareholders who are residents of Singapore for tax purposes, and who hold Shares or will hold New Shares on the capital account, would generally be considered as sourced outside Singapore.

Any dividend made by the Company in respect of the New Shares and received by Eligible Shareholders who are residents of Singapore for tax purposes and who hold the New Shares on capital account, will be subject to the same taxation treatment as dividends made by the Company on Shares held in the same circumstances.

Dividends paid by the Company and received or deemed to be received in Singapore by Singapore resident Eligible Shareholders (including any individual investor receiving such distributions through a

partnership in Singapore and corporate investors) would be exempt from Singapore tax if certain prescribed conditions are met, including the following:

- such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore with respect to such conditions.

In the event the above tax exemption is unavailable in respect of any dividend paid by the Company and received or deemed to be received in Singapore by Singapore resident Eligible Shareholders, such dividends will be subject to tax at 17% in the hands of such Eligible Shareholders.

Gains on disposal of Shares

Singapore does not impose tax on capital gains. Investors who hold Shares (or will hold New Shares) on capital account will not be subject to income tax on the gains arising on disposal of such shares. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of such shares may be constructed to be of an income nature and subject to Singapore income tax, especially if they are held as trading assets of a trade or business carried on in Singapore by the investors.

Other Singapore taxes

No Singapore Goods and Services Tax (**GST**) is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

No Singapore stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

No Singapore stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore and not brought into Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore. Stamp duty is not applicable to electronic transfers of the New Shares.

Singapore estate duty has been removed with effect from 15 February 2008.

10. Management of Entitlement Offer

On 15 August 2012, the Company entered into an offer management agreement with the Lead Manager, under which the Lead Manager has agreed to manage the Entitlement Offer (**Offer Management Agreement**).

In accordance with the Offer Management Agreement and as is customary with these types of arrangements:

- The Company has (subject to certain limitations) agreed to indemnify the Lead Manager, its related bodies corporate and affiliates and their officers, employees, agents and advisers against losses suffered or incurred in connection with the Entitlement Offer;
- The Company and the Lead Manager have given representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;

- the Lead Manager may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - a statement contained in the offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
 - ASX announces that the Company will be removed from the official list or that any New Shares offered under the Entitlement Offer will be delisted or suspended from quotation by ASX for any reason;
 - the Company withdraws the Entitlement Offer;
 - there are adverse changes or disruptions to the financial markets of key countries or hostilities commence or escalate in key countries; or
 - there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and its subsidiaries.

The Lead Manager has not authorised or caused the issue of this booklet and takes no responsibility for any information in this booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Lead Manager excludes and disclaims all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

11. Financial data

All dollar values in this booklet are in Australian dollars (\$) or A\$) unless otherwise stated.

12. Information availability

Eligible Shareholders can obtain a copy of this booklet during the Entitlement Offer Period by calling the OMH Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) at any time from 9.00am to 5.00pm (Perth / Singapore time) Monday to Friday during the Entitlement Offer Period. Persons who access the electronic version of this booklet should ensure that they download and read the information in this booklet in its entirety. The electronic version of this booklet on the Company's or ASX's website will not include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the OMH Entitlement Offer Information Line during the Entitlement Offer Period. Neither this booklet nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons that are in the United States or otherwise distributed in the United States.

13. Forward-looking statements and future performance

Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the information in this booklet. Forward-looking statements, opinions and estimates provided in the information in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward-looking statements including projections, guidance on sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, including the risks described in the Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this booklet.

14. Past performance

Past performance and pro-forma historical financial information given in this booklet is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

15. Shortfall shares

The Board reserves the right to place the balance of any Shares offered to but not taken up by Eligible Shareholders together with those Shares not offered to Ineligible Shareholders (together, **Shortfall Shares**) at its absolute discretion in accordance with the Corporations Act and the ASX Listing Rules. The Shortfall Shares will be offered by the directors of the Company at a price which is no less than the Offer Price.

The Board may, in its absolute discretion, invite new investors and/or existing Shareholders to apply for these Shortfall Shares. If there are Shortfall Shares and the number of these Shortfall Shares is insufficient to satisfy applications, the Board's decision as to the number of Shortfall Shares to be issued, and as to the parties to whom these Shortfall Shares are to be issued, is final.

16. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this booklet. Any information or representation that is not in this booklet may not be relied on as having been authorised by the Company, or its related bodies corporate, in connection with the Entitlement Offer.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this booklet.



OM Holdings Limited
ARBN 081 028 337

For all enquiries:

Phone:



(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See over for details of the Entitlement Offer and how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

 Your payment must be received by 5.00pm (Perth / Singapore time) on Monday, 17 September 2012

This personalised entitlement and acceptance form (**Form**) is an important document that requires your immediate attention. It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in any doubt about how to deal with this Form, please contact your financial or other professional adviser without delay.

This Form relates to the Entitlement Offer of New Shares to Eligible Shareholders of OM Holdings Limited (**Company**) at an Offer Price A\$0.40 per New Share on the basis of 3 New Shares for every 10 existing Shares held at 5.00pm (Perth / Singapore time) on Friday, 24 August 2012 (**Record Date**) made under the offer booklet dated 16 August 2012 (**Offer Booklet**).

Unless otherwise defined in this Form, capitalised terms used in this form have the same meaning as set out in the Offer Booklet.

Step 1: Registration Name & Entitlement Offer Details

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. Enter overleaf the total number of New Shares you wish to accept from your Entitlement and the amount of payment for those New Shares (i.e. A\$0.40 x number of New Shares).

Step 3: Acceptance Payment Details

By submitting this Form or by using the **BPAY** facility to accept the Entitlement Offer, I/We represent and warrant that I/We have read and understood the Offer Booklet and I/We acknowledge the matters, and make the warranties, declarations, agreements and representations contained therein, including the warranties, declarations, agreements and representations in section 7 of the Offer Booklet.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the slip with **BPAY** payment.

By Cheque: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to OMH - Entitlement Offer. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Entitlement Offer →

Entitlement and Acceptance Form

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I ND

STEP 1

Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For your security keep your SRN/
HIN confidential.

Entitlement No: 00005856

Offer Details: Existing Shares entitled to
participate as at the Record Date:

4,000

Entitlement to New Shares
on a 3 for 10 basis:

1,200

Amount payable on acceptance
at A\$0.40 per New Share:

A\$480.00

STEP 2

Make Your Payment



Bill Code: 000000
Ref No: 1234 5678 9123 4567 89

Pay by Mail:



Make your cheque, money order or bank draft payable to 'OMH -
Entitlement Offer'.

Return your cheque with the below slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your
payment from your cheque or savings
account.

Lodgement of Application

If you are applying for New Shares and your payment is being made by **BPAY®**, you do not need to return the slip below. Your payment must be received by no later than the close of **BPAY®** at 5.00pm (Perth / Singapore time) on Monday, 17 September 2012. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through **BPAY®** are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (**CIS**) by no later than 5pm (Perth / Singapore time) on Monday 17 September 2012. You should allow sufficient time for this to occur. Return the slip below with cheque, bank draft or money order attached.

None of CIS or the Company accepts any responsibility if you lodge the slip below at any other address, by any other means, or after 5.00pm (Perth / Singapore time) on Monday 17 September 2012.

Privacy Statement

Personal information is collected on this form by CIS as registrar for the Company for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the *Corporations Act 2001* (Cth), you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

Acceptance Payment Details

STEP 3

Entitlement taken up:

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Amount enclosed at A\$0.40 per
New Share:

A\$

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Entitlement No: 00005856

Payment must be received by 5.00pm (Perth / Singapore time) on Monday, 17
September 2012

Contact Details

Contact

Name _____ Daytime Telephone _____

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+0000000001-3051+14

Corporate directory

Registered office

OM Holdings Limited
#08 – 08, Parkway Parade
80 Marine Parade Road, 449269 Singapore

Website

www.omholdingsltd.com

Stock exchange listing

OMH's Shares are quoted on ASX (code "OMH")

Lead Manager and financial adviser

M. H. Carnegie & Co. Pty Limited
120b Underwood Street
Paddington NSW 2021

Australian legal adviser

Minter Ellison
Aurora Place
88 Phillip Street
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6001
Tel (within Australia): 1300 850 505
Tel (outside Australia): +61 3 9415 4000

OMH Entitlement Offer Information Line

Australia 1300 850 505
International +61 3 9415 4000

Open 9.00am to 5.00pm (Perth / Singapore time) Monday to Friday during the Entitlement Offer Period.